

DERBYSHIRE COUNTY COUNCIL

CABINET

16 January 2020

Report of the Executive Director Commissioning, Communities and Policy

ONE PUBLIC ESTATE: SWADLINCOTE TOWN CENTRE REGENERATION AND ESTATE RECONFIGURATION; FEASIBILITY STUDY TO EXPLORE OPPORTUNITIES ACROSS THE PUBLIC SECTOR IN SWADLINCOTE FOR A NEW CIVIC HUB SHARED PUBLIC SERVICE BUILDING.

(Corporate Services)

1. Purpose of the Report

To seek Cabinet approval to participate in a feasibility study which will consider the viability of developing a joint public sector civic hub in Swadlincote and for the Council to enter into a Memorandum of Understanding (MoU) with the partnership.

To note that a further report be submitted to Cabinet when the results of the feasibility study are available.

2. Information and Analysis

Swadlincote is the key service centre in southern Derbyshire for a range of public service providers. The town is growing rapidly and now has a population of some 40,000. South Derbyshire has been one of the fastest growing districts in the country outside of the South East over the last decade and now has a population of over 104,000 (ONS population estimate 2018). The Local Plan will see an additional 12,618 homes constructed over the period 2011-2028.

Public services are delivered from numerous buildings in Swadlincote town centre dating from the 1950s, '60s, '70s, 80's owned or rented by individual partner organisations. Many of the buildings, and in particular the main Civic Offices, are in a poor state and do not meet the needs of current services. Operating and maintenance costs are high and rising. There are no existing

office premises in the centre of Swadlincote of a size that could accommodate the relocation/co-location of services.

Discussions regarding collaboration and new civic facilities have taken place in recent years, however there has been a lack of resources and technical expertise available to take this forward.

The opportunity provided by the One Public Estate Programme (OPE) and associated funding has galvanized partners' interest in undertaking feasibility work to explore the scope for and format of a Civic Hub that would meet the needs of Swadlincote and its surrounding areas in the future.

The vision is to:

- Transform service provision to the local community through better/more accessible facilities and co-location/joined-up delivery
- Lower future building maintenance and operating costs of public sector organisations
- Realise capital receipts for reinvestment in public services through the sale of surplus assets
- Provide potential opportunities to deliver housing units from estate rationalisation and redevelopment opportunities.

This will contribute to the aims for Swadlincote town centre by:

- Enabling further development by releasing land for commercial and residential development, particularly providing for smaller households
- Improving transport infrastructure and parking provision
- Providing a greater range of attractions/functions in the town centre
- Enhancing footfall and the vitality and viability of the town centre

Public service provision and the future development of Swadlincote town centre faces a number of issues:

- Increasing demands on services from a growing and an ageing population
- Declining budgets across public and voluntary/community sector organisations

- A relatively small town centre for the rapidly growing size of the town; few vacant premises
- Unmet housing needs, in particular for smaller homes
- Poor quality public buildings that are a prominent eyesore
- Costs associated with managing the security and maintenance of multiple public buildings
- Ageing buildings with high maintenance costs and low energy efficiency
- Potential to release existing public buildings for other commercial uses
- Potential to release land for new commercial and residential development
- Opportunity to regenerate land that is poorly/inefficiently configured
- Current premises increasingly unable to meet the needs of modern and future service delivery
- Need to retain services in the town centre where they are most accessible and where staff support town centre viability
- Modern premises can facilitate the adoption of modern, flexible working practices, maximising the potential of new technology
- Purpose-built facilities can facilitate greater accessibility for those with mobility issues
- Escalating maintenance costs undermining potential to invest in services and potentially new facilities
- Under provision of comparison shopping, overnight accommodation and leisure uses, in particular food & drink

The OPE partners from Derbyshire County Council, South Derbyshire District Council, Derbyshire Fire and Rescue Service (DFRS), Derbyshire Constabulary, the Department of Work and Pensions and Derbyshire Community Health Services have come together to explore opportunities to deliver public services more collaboratively.

This proposal could potentially reconfigure, realign and release public assets which could realise:

- A more fit for purpose public estate,
- Tangible financial savings through capital receipts from the sale of surplus assets and reduced property running costs,
- Benefits of improved service delivery through co-location and integration,
- Easier access to a range of public services,
- Regeneration/Creation of land for housing development,
- Improved community facilities and customer experience of public services through a single point 'hub' and 'multi-space'

Since 2015, Derbyshire County Council has been the lead authority for the North Midlands One Public Estate Programme (OPE) and has identified the opportunity to reconfigure operational assets to support a progressive service delivery model identified in the approved Asset Management Framework.

Programme activity has identified a real need to collaborate across the public sector to realign the type of assets held to meet the changing demands of a changing area and will enable the partnership to develop and potentially implement a strategy that will ensure organisation are focused on the best use of asset to support service delivery in the medium to long term and the encompass the following work streams:

- Service Delivery – The Property and Assets Strategy will be developed with an awareness that services are changing,
- The Community – Public engagement and support plays a significant role in the ability to access services,
- Workforce Evolution – A stronger integration between technology and the service delivery context,
- Value for Money – Ensure that accommodation is well planned, sustainable and fit for purpose,
- Health and Safety – The scope for injury in public buildings is endless, the provision of good quality buildings will ensure that assets are in good condition and meet all fire and other safety standards,
- Equality – Older property stock struggles to address compliance with legislation for ease of access to buildings for all.

As a result of this approach, the Derbyshire OPE Programme had endorsement from the Derbyshire Chief Executives Group to support and submit an application for grant funding to facilitate the proposal. This bid was for the required capacity and capability to undertake a formal feasibility of the project.

South Derbyshire District Council on behalf of the partnership, submitted a funding bid, as part of the North Midlands OPE submission, and was successful in securing a grant for £100,000, from the Phase 7 funding round (December 2018) to undertake a feasibility study, on behalf of the Derbyshire OPE Steering Group (which represents all public service partners within the County), to develop an options appraisal around possible future service transformation, system efficiencies and financial benefits supported by property changes.

The grant provides the financial support and capacity to undertake a feasibility study to consider the viability of developing a joint civic hub with a key service providers in Swadlincote.

Specifically for Derbyshire County Council, this project is focussed on the future service and resulting property requirements of the Council's Swadlincote and surrounding area based services and identifying opportunities of how services could be enhanced through co-location and co-delivery with other public sector partners in a civic hub and could bring further opportunities for services to develop a better understanding of other pathways and lead to further integration opportunities.

The assets occupied by Derbyshire County Council which could provide potential opportunities for the County Council are:-

- Adult Education Centre, Rink House, Swadlincote
- Childrens Services, Rink House, Swadlincote
- South Derbyshire Area Office, Civic Way, Swadlincote
- Newhall Day Service Centre, Newhall
- Woodville Teachers and Youth Centre, Woodville
- Swadlincote Library
- The Elms Family Support Centre Midway

Each organisation has a core set of properties which account for a large proportion of their portfolio; for example, education and health suites, administrative bases, social services offices and a library. Each building has common accommodation types such as offices, staff welfare facilities and ancillary space. A combined approach could provide opportunities for integration and sharing of space and facilities. Working together can deliver improvements in property and asset performance, whilst maintaining or improving quality of service through adopting a joint/cross organisational approach to property.

The current asset base, in the main, is either inadequate to meet current and future service demands, at the end of its functional life, and/or unfit for purpose

due to the age, type and historical nature of the buildings. As a consequence they may;

- Continued compliance with the demands of legislation of increasing complexity is not cost effective for old asset stock
- Need a significant level of expenditure to meet service demands,
- Put significant financial strain on budgets to meet backlog of maintenance requirements, and
- Have higher than average running costs due to building inefficiencies.

See appendix 1 – Site locations occupied by Derbyshire County Council.

The assets held by the Council, as identified, costs the authority approximately £466,000 per annum to run and has a back log maintenance liability of approximately £1.5m.

In light of the significant progress that has been made by the OPE, Derbyshire County Council, South Derbyshire District Council and the wider partnership and the success of the partnership in securing the OPE funding there is a requirement to implement a more formal arrangement between the key stakeholders. The recommended approach is the formation and governance of a partnership arrangement through a Memorandum of Understanding

The purpose of the MoU is to record the parties mutual understanding and the objectives regarding the proposed Civic Hub, to work collaboratively and co-operatively, ensuring participation and commitment to taking part in an options appraisal/feasibility study.

The Council will need to ensure that relevant consultation is undertaken prior to any decisions being implemented following the feasibility study into the viability of developing a civic hub.

3. Financial Considerations

£100,000 Revenue Funding is available from Government, consisting of £80,000 of grant and £20,000 of loan. The funding would be received by South Derbyshire District Council. Funding is provided in advance rather than arrears. There is no match funding requirement. The feasibility study will be funded from the OPE grant and will identify a potentially viable development scheme, including the associated sites, and a detailed business case in accordance with HM Treasury “Green Book” guidance. Where other requirements of this brief can be met a further report will be produced.

South Derbyshire District Council, as the lead partner, have committed to and underwrite the repayment loan element of the grant to a maximum of £20,000. The project governance arrangements would establish the repayment levels of the £20,000 across the key partner organisations, based on the realised outcomes of the recommendations.

The Report will include the following:

- a. A viability assessment including final valuation for each option being put forward
- b. A recommendation of a preferred option together with a full financial appraisal
- c. A delivery strategy for the scheme including potential sources of public and private sector investment
- d. A draft development programme including cash flow requirements which will enable the Partners to achieve RIBA Stage 2.

4. Legal Considerations

The Director of Legal Services will advise on the terms of the MoU and any other related issues.

5. Human Resources Considerations

Relevant consultations with affected workforce and joint recognised trade unions will be undertaken, as necessary prior to any decisions being taken following the feasibility study.

6. Social Value Considerations

The One Public Estate initiative is a flagship initiative and forms a vital part of the County Council's work on improving access to services and supporting the Councils adopted Asset Management Framework. The proposal could assist in housing delivery and economic regeneration.

7. Other Considerations

In preparing this report the relevance of the following factors has been considered; prevention of crime and disorder, equality and diversity, environmental, health and transport considerations.

8. Key Decision

NO

9. Call-in

Is it required that call-in be waived for any decision on this report? **NO**

10. Background Papers

None

11. Officer's Recommendation

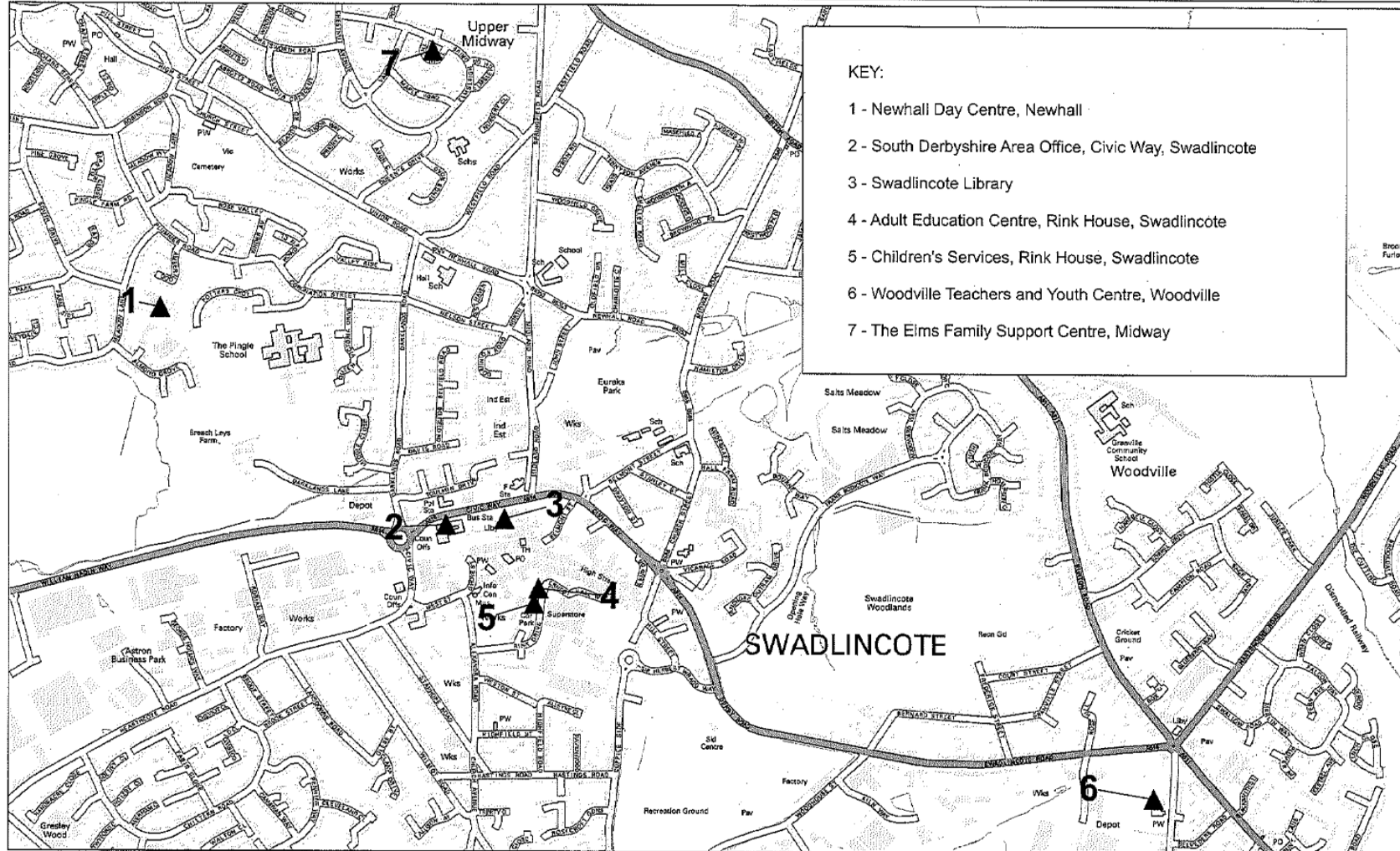
That Cabinet:

10.1 Approves to undertake a feasibility study to consider the viability of developing a civic hub in Swadlincote and the Council to enter into a Memorandum of Understanding (MoU) with the partnership organisations involved.

10.2 That a further report be submitted to Cabinet when the results of the feasibility study are available.

EMMA ALEXANDER
Executive Director Commissioning, Communities and Policy

Appendix 1 Swadlincote



Scale - 1:12000 at A4

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County Council