Taking stock

Challenges and opportunities for local authority property and assets in supporting local economy recovery

apse

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APSE (Association for Public Service Excellence) is a not-for-profit local government body working with over 300 councils throughout the UK. Promoting excellence in public services, APSE is the foremost specialist in local authority front line services, hosting a network for front line service providers in areas such as waste and refuse collection, parks and environmental services, leisure, school meals, cleaning, housing and building maintenance.

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CIPFA Property is a leading authority on public sector asset management within the UK and a trusted partner to public finance and property professionals in their delivery of efficient asset management. APSE would like to thank Tim Reade, Senior Consultant and David Bentley, Associate from CIPFA for researching and writing this report.

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Foreword

This research was developed following discussions with APSE member councils who, in emerging from the initial emergency response to COVID-19, started to take stock of the process of recovery.

As the pandemic introduced more people working from home, and greater numbers of residents reliant upon local neighbourhood amenities, it quickly became apparent that the role of the local council, acting as a steward of place, would be a fundamental part of recovery. Alongside this, as a large employer in many areas, the changing dynamic of work patterns is also an important consideration, not just for our residents but for council employees. A thread running through these concerns is how we as local councils utilise our own assets. What will be the future accommodation requirements for our employees and the services they deliver? And how might the local government property estate play its part in the recovery from the COVID pandemic?

The aim of this research is to therefore disseminate information across the sector on emerging themes being considered by local authorities as part of their strategies for the future. We consider in turn:

- How can local councils use their own influence to support recovery at a community level, through managing their own assets and estates embedded in our place-shaping role?
- How can councils as service providers, and as employers, ensure that offices, depots and other workplace locations are agile and efficient in meeting any post-pandemic changing needs, and deliver efficient and effective asset management that meets the business and service delivery needs of councils in the coming years?

Our research shows that there are many differing views and approaches envisaged. Many of these are based on specific local circumstances, whilst others are focused around management direction in relation to differing models for service delivery, working practice or the vision of the council for its local economic success.

This research, through a range of surveys, roundtable discussions with the sector and case studies, has been developed to explore and identify how these challenges are being met.

The case studies in chapter five of this report provide examples of innovation and best practice in the future utilisation and development of the local authority's own property and assets, and its place-shaping role in local economies. I hope this will provide a stimulating discussion within APSE member councils.

I would like to thank all the Local Authorities who took time to respond to our survey, took part in roundtable discussions and those who provided additional information for the case studies. Clearly without their active participation this research this would not have been possible.

I would also like to thank colleagues within CIPFA for providing this timely research. I am sure this report will be a source of invaluable information as local councils recalibrate their estates strategies in a post-pandemic world.

I commend this report to you.

Cllr Mark Pengelly

APSE National Chair
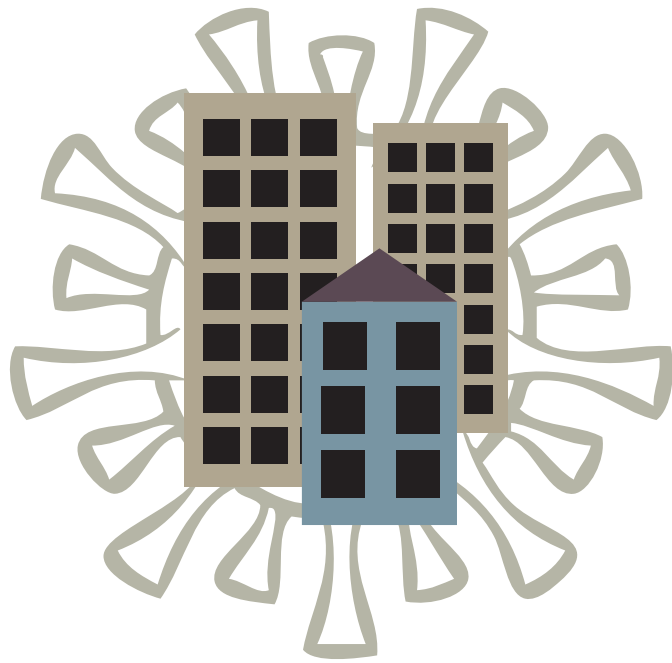
Introduction and methodology

About this research

The COVID-19 pandemic has brought about some seismic changes to societal behaviours, patterns of work and accelerated underlying consumer behaviour trends, with an expansive growth in online retail arguably hastening the decline of many UK high streets and town centres.

Equally, the pandemic placed millions of UK workers into homeworking situations, which for many was a first-time experience, alongside workers experiencing furlough. In both scenarios, the daily commute to distant workplaces disappeared overnight and many rediscovered their own localities, for shopping, exercise and the limited social interactions that the lockdown restrictions permitted. These changes also impacted the councils' own workforce with the rapid deployment of many staff to remote working.

For councils moving away from their emergency response mode during the pandemic, and seeking to fully remobilise services, as well as taking stock of the needs of local economies, the golden thread between how they can support new ways of working, which have emerged from the pandemic, and how they can support local economies, are centred on how they can best manage their own assets and estates.

Many are now exploring the adoption of new ways of working by adapting an asset management approach on council offices and depots, that will meet the changing work patterns, providing an efficient and sustainable future from which council services can be best delivered. Similarly, many are also exploring their role in helping to shape local economies through their broader role in assets and investment in high streets and town centres.

This research therefore explores two main themes from an estate management perspective:

- Influencing and supporting local economies through assets,investments and innovative estates management
- The changing nature of work and workplaces, and how estate management can play a role in successful approaches to managing the transition.

In Chapter 1 we explore how local authorities can make positive decisions in support of their local economies whilst in Chapter 2 we explore homeworking issues and the context of the impact of COVID-19. Chapter 3 brings our conclusions and recommendations and in Chapter 4 case studies on innovative practices.

Research methodology

CIPFA have been engaging with property managers in a series of online discussions and surveys since the first COVID-19 lockdown in March 2020. It was noticeable how local authorities have quickly moved on from the initial responses, to the various emergencies that presented themselves at that time, and subsequently considered how recovery might look for their own organisation. In addition, the nature of the online discussions and surveys tracked this evolution and, in March 2021, CIPFA and APSE held separate events which focused on looking forward in an attempt to capture some of this thinking.

The events were supported by a series of survey questions, some with multiple choice responses, whilst others asked for text answers to understand areas that authorities were considering in slightly more depth. A total of 106 responses were received to those surveys from Local Authorities across the United Kingdom.

From within the responses and discussions a number of follow-up case studies were selected which

have been included within this document. These were supplemented with additional authorities who were known to be active in this area. The selection covers a range of local authority types located in different regions and countries to provide a variety of examples.

Where appropriate the research has also drawn upon other available datasets to inform its findings and recommendations.

Chapter 1: Influencing and supporting local economies through assets and investments and innovative estates management

Introduction

The impact of the health pandemic has had some interesting effects on local high streets and town centres. Whilst the 'stay at home' message accelerated reliance on online shopping (increasing by 46%) there was also some positive news for more local shops, as residents unable to travel, and homeworking, made more use of local facilities. However, this still raises some serious issues about the long-term sustainability of local high streets and town centres.

The economic health of local high streets and town centres remains a concern not just to local residents and businesses but to the political leadership in local authorities. USDAW[1] estimates that around 180,000 retail jobs were lost in 2020 and, in some areas, one in six jobs are dependent on retail. In the case of collapsed retail giants like Arcadia and Debenhams 80% of staff working for both businesses were women, which means that of the 25,000 job losses from those companies 20,000 of those jobs belonged to women.

Moreover, council income is highly reliant on income from Business Rates, meaning the fortunes of local areas, even with redistributive mechanisms applied centrally to business rate income, is highly dependent on a successful local economy.

Therefore, in considering the local economic success of areas, alongside the impact on jobs and council income, local leaders will be keen to ensure that they have a proactive role in supporting post-COVID recovery, particularly where this impacts on high streets and town and district centres.

Impact of the changes in work patterns on local economies.

The Centre for Economics and Business Research (CEBR) collates data on footfall and spend patterns and its report to the first quarter of 2021 found that the impact of homeworking resulted in a total of £11.9 billion of displaced city centre spending. This is directly attributed to workers who swapped offices in towns and cities to homeworking. The impact on major UK cities is stark. The CEBR report suggests that if workers in the five UK largest cities of London, Manchester, Glasgow, Newcastle and Cardiff continue as they are, then spending would be £322 million a month lower than pre-pandemic levels.

The CEBR data is supported by Google data which demonstrates that in April 2020 movement was reduced by 69%, compared to pre-pandemic lockdown levels, and although it has recovered to a reduction of 34%, in May 2021, the footfall levels and movement in town and cities is still markedly lower than pre-pandemic. These figures also vary from region to research.

The Retail Gazette also point to the overall retail vacancy rate which went up by 14.1%[2] in the first quarter of 2021, marking a 1.9% rise from the same period last year, (data drawn from BRC-LDC Vacancy Monitor) and this marks three consecutive years of increases in retail vacancy rates. It also reports that

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1 USDAW 'Save our Shops' campaign available at https://www.usdaw.org.uk/Campaigns/Save-Our-Shops-(1)

2 Sahar Nazir for the Retail Gazette 20 April 2021 Available at https://www.retailgazette.co.uk/blog/2021/04/one-in-seven-retail-shops-now-empty-as-vacancies-rise/

one in seven shops are vacant, with 5000 fewer shops than at the start of the health pandemic.

What is also clear is that the vacancy rates are not uniform across the UK. In more deprived areas the vacancy rates are much higher than average and replacing lost shops is harder to achieve.

The role of local high streets during lockdown and post-pandemic footfall

There is, however, better news for local districts in an area which the High Streets Taskforce describes as 'multifunctional' towns. The High Streets Task Force[3] report (Review of High Street Footfall July 2019 – July 2020 Mumford et al) analysed footfall from 154 towns. It found that 44% '*provide a wide range of different services to their communities and can be classified as "multifunctional". This type of town has increased by 8% in the last year (Jul 19 - Jun 20) and compares to just 19% of town centres that focus predominantly on "comparison retail" to attract visitors.*'

A key finding of the Task Force is that towns that have fared better during lockdown have presented something distinctive in terms of their offering, and local people rediscovered local high streets and districts as homeworking improved footfall in these areas, making losses much less than in larger cities. Although there was a loss of footfall, it was much less than the larger cities which saw a drop of over 75% compared to just 34% in smaller districts.

This should be encouraging news for councils who are seeking to secure vibrant high streets and town centres with such areas benefitting from a renewed recognition of their value to local residents, and quite possibly homeworking patterns being retained for some, if not all of the working week. This will arguably shift patterns from cities to local retail, entertainment, cafes, bars and restaurants.

This shift in a more localised offering could also support councils meet their climate change and ecological ambitions. Following the opening up of the economy, albeit in many ways subject to ongoing restrictions or new national regulations, many utilised this time to experiment with the introduction of walking and cycling routes, encouraging a move away from car-reliant retail experiences and opening pavements to cafes and outside dining, in support of local businesses, pending their ability to offer indoor services.

The role of public buildings in recovery

Whilst these changing patterns of behaviour are yet to be fully assessed, and indeed it may be two or three years before they can be fully understood, support for the changing nature of society and consumer patterns will be critical to local economic recovery.

The role our public buildings will play in regard to this recovery will be fundamental. However, it is something that is already causing confusion and creating a spectrum of opinions. Will property assets be able to support wholesale transformational change, helping to deliver the Government's stated agenda to 'Build Back Better'? Can they become focal points in our communities, through more innovative and impactful asset management strategy?

Property at the heart of recovery

The most challenging area to research was how public sector property can support recovery of towns, high streets and communities, together with supporting key agendas such as the green ambitions of councils. It was an area that we found difficult to capture in specific polls as councils by local necessity are approaching this in many ways. As such we asked four open questions as follows:

1.   In what ways has the Coronavirus Crisis caused you to think about how you might seek to

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3   Mumford, C. et al (2020) Review of High Street Footfall July 2019 – July 2020 published by The High Streets Taskforce' Available at https://hstfprodwebsite. blob.core.windows.net//media/b5dnkp4z/hstf-footfall-report-2020-for-publication.pdf

repurpose parts or the whole of buildings to help support local economy/regeneration/communities?

2. How does your organisation intend to utilise its own assets to support or drive town centre/high street/community recovery following on from the COVID-19 pandemic?
3. In what ways has the Coronavirus Crisis changed your organisation's attitude/approach to climate change and the environmental agenda?
4. If your organisation has declared a Climate Emergency (or other similar declaration/policy/approach), how has the strategy and/or plan, as it relates to property and assets, been affected by the Coronavirus Crisis?

As expected, responses were wide ranging and whilst it's unrealistic to detail all comments raised, we have included some of the key themes below.

- Many councils are accelerating their ambitions for office rationalisation as a result of the Coronavirus Crisis. However, a few commented that the Crisis had caused them to halt such reduction of office space as it was too early to understand the implications of coronavirus on working practices, wellbeing, and how staff attending offices impacted on local shops, facilities and communities.

- Several councils commented on the success of community hubs created initially as a short-term measure during the first lockdown, and that these were something that they intended to continue moving forward. Sometimes this included touchdown working hubs for local staff members with an aim to make office facilities more convenient but, at the same time supporting local high streets/communities.

- Several councils have taken the opportunity to reset their overall asset management approaches and have begun a major review of how they should best move forward in the future. A wide-ranging list of priorities were suggested by survey respondents: from community transfer, reviews of market rents, repurposing historic buildings right through to moving out of leased accommodation. The important aspect to note here is that they are all based on local circumstances and reflect the fact that a 'one size fits all' solution is clearly not an option.

- Focus groups examining town centres and high streets were popular promoting 'liveable neighbourhoods' or providing incentives for retail recovery by taking over the running of major shopping centres. One authority commented that they were working closely with the NHS to bring more community-based services out of acute hospitals into town centre locations which would improve access and help support local businesses.

- Responses in relation to climate change were less emphatic than in other areas of questioning with only a third of survey participants contributing to this area. The majority of answers detailed their authority's net-zero targets but provided little detail on how their asset approaches would contribute towards these. Several noted they were 'starting discussions' or 'developing policies' rather than having anything material to show at this stage. On a more positive note, several did comment that any asset decision had to be considered from an environmental perspective prior to approval for actioning. There were also a number of authorities investing in solar farms within their areas in order to provide their own electricity needs moving forward. By and large, the overall impression gained in this area was that authorities already committed to a climate change action plan or strategy had seen little effect on work being undertaken as a result of COVID-19. Whilst it was acknowledged by many respondents that energy use and emissions in their operational buildings had fallen as a result of staff working remotely, there was a clear view that such positive gains were likely to have been somewhat offset as a result of increased emissions being generated in the alternative working locations of their staff.

Chapter 2: The changing nature of the world of work

Introduction

We stand at a critical moment in the changing nature of work and our relationship to it. The COVID-19 global pandemic has had a significant impact on how and where we work and its after affects are now irreversible.

Organisations in all sectors and of all sizes are rethinking their workplace approach and policies. A new 'blended' pattern of working is emerging including time spent working from home, time spent in a satellite building, with only strategically planned time spent in a major corporate hub. Remote working is maturing from the 'emergency state' of lockdown into a new dawn of change. This may well lead to acres of office buildings sitting empty or under-utilised unless we take the steps needed and think innovatively about the future.

Whilst we recognise that not all workers can work from home, including the many key-workers in both the public and private sector, it has to be recognised that alongside councils, many other employers are now seriously exploring how post-pandemic working practices can best meet their future business needs. In any event, for those staff where homeworking is not viable, or fails to meet business needs, consideration needs to be given to capturing some of the learning and technologies from the pandemic to apply in the workplaces of the future.

The trajectory of this change is, of course, not new to those that have also borne witness to the technology advancements of the past 10 years, the environmental imperatives and the rise in our consciousness of social wellbeing. However, this step change to a hybrid workplace strategy, as we shift our focus from one of crisis management (focused on containment of the virus) to one of recovery management to aid a return to a 'new normal;' is now upon us and the need to proactively support staff throughout this transition is an imperative to a sustainable long-term solution.

It is equally important that in the push towards newer ways of working that we do not blind ourselves to the reality of some peoples work and life experiences. The need to network, mentor, share and collaborate are elements, that for many of us, the last 12 months have deprived us of. Not least the unheralded 'office grapevine' has all but disappeared. While the COVID-19 crisis has forced change at a rate and to a level that is unprecedented, it is also vital that we are aware that the way we will work in the future, if it is to be sustainable, cannot be wholly remote, just as it cannot be wholly office based. The tools to help our staff navigate between these choices will be critical.

The historical context of the 'new normal'

It is important to look at the current changes as being a continuation of the evolving ways of working. Prior to 'industrialisation, the concepts of a working week, of clocking in and out, of working 9-5 and of a fixed workplace simply didn't exist. We evolved them out of a need for structure and purpose. For many of us these concepts are now losing traction in the shadow of a new emerging working style.

The industrial revolution saw millions of people migrate from Britain's rural fields to the emerging powerhouse cities and despite all the cultural, social and economic implications associated with the later manufacturing, automation and digital revolution, the retail transformation and the cyber revolution, none of these have been successfully repelled.

As many of us have borne witness over the last 12 months, it is certain that there are some things within the nature of corporations that are difficult to maintain in a totally dispersed virtual network;

such thingssuch as creativity, innovation and corporate culture. For many of us the need to come to an office to simply engage with others will remain paramount and these will be the mainstays of the post pandemic officesFor others the shift has already begun. The COVID crisis has fast tracked our flirtation at the peripherals of remote working to centre stage.

A new approach

Conventional wisdom had been that offices were critical to the standing and stability of the successful organisations, maintaining managerial control, driving team productivity and cohesiveness, building corporate culture and values and attracting the best talent. Thus, many focused on workplace solutions that were seen to drive up planning efficiency, intensify use, promote colocation of teams and encourage face to face collaboration and see their brand directly linked to the building. Densification, occupancy, open plan offices and desk-sharing were the buzz words of the facility planners focused on efficiency. It has been the case that that these same people have been reopening some of their buildings (prior to the vaccine roll out) requiring employees to maintain social distancing, enforced one-way systems, improved ventilation, creating additional space to ensure physical distancing, and with restricted access to shared spaces in order to follow basic hygiene rules.

However, before we simply step backwards and design ourselves into a corner, we need to safeguard our ability to take a 'leap forward'. One that will see us emerge into a solution fit for purpose and able to sustain many of the advancements made over the past 12 months whilst tackling the issues that have equally emerged. This requires a holistic approach to the workplaces of the future encompassing: safeguarding mental health and wellbeing; productivity and work life balance; motivation, creativity and innovation; virtual and physical presence; corporate culture, networking and collaborating; staff development, mentoring and appraisal. We also need to ensure that the workplaces of the future, as now, meet the needs of employees or service users with disabilities, and align with local authority duties under the Equality Act and public sector Equalities Duty.

But it needs to go even wider than that. As local authorities, many of whom have declared a climate and ecological emergency, we must reduce the impact of our buildings and operations on the environment. Our office solutions therefore, and indeed wider asset management planning, will need to be a balance of all of these factors.

The future working environment

To inform our research on the future of the working environment, we conducted surveys which considered the future use and need for office space and the impact of homeworking. We also asked how authorities envisaged using property to help support local economies and communities and these questions are analysed in chapter 2.

We have set out the headline results below whilst the full breakdown of survey questions and responses are shown in Appendix A to this report.

Homeworking

Several questions related to how people worked, and how they envisaged working in the future. Indeed, it was noticeable that several of the responses (and attitudes) appear to have changed over the last 12 months, as what was perceived by many as a temporary short-term novelty of homeworking, developed into the long-term norm.

In particular, was a question around work/life balance, where we asked how people perceived this balance had changed since the first lockdown was introduced in March 2020. It was noticeable that in June 2020, when we first asked this question, that 61% felt their work/life balance had improved,

whilst only 22% felt it had worsened. Compare this to March 2021, where in response to the same question, 49% thought their work/life balance had improved and 42% said it had got worse. Clearly this is quite a change and is possibly down to seasonal variation with the experience of darker winter nights and shorter days, or maybe because the longer-term impact of working in a more isolated fashion had kicked-in for many.

Responses around productivity have also changed marginally over time. In June 2020 60% felt their productivity had increased, whereas only 16% felt it had worsened. Fast forward to March 2021 and a reduced 53% indicated their productivity had improved whilst 17% indicated it had deteriorated.

Given the amount of time many people have now been working at home, one would expect public sector employers to have provided adequate support for these arrangements. However, our surveys seem to indicate this is not always the case with 47% of respondents saying they had received no training to support working from home and 48% stating they hadn't received any instructions on what was expected from them. Several commentators in response to the latter question suggested that this added to stress levels as they felt 'tied to their laptop' in case a colleague or manager happened to contact them.

The provision of equipment and suitability of the homeworking environment were also raised. Whilst 59% of staff either already had a laptop computer, or were provided with one for the purpose of homeworking, only 35% of respondents indicated that their organisations had gone further in additionally providing them with a desk and associated office furniture. We also asked how suitable people felt their current home environment was for agile working, and although a majority of 54% suggested that they had an adequate desk and office chair in a quiet space, 19% shared space with others whilst 27% had to work on a dining room table, kitchen worktop or other space. Anecdotal comments in reference to these questions suggested some staff had experienced back pain as a result of long hours working at a laptop in less than appropriate surroundings.

The final question under this category looked forward and asked that if people had the choice in the future, whether they would prefer to go back and work in an office and if so for how many days a week. By far the most popular answer (and which has been the most consistent response in all our surveys of the last 12 months) was that approximately 2/3rds of staff would like to work in an office environment for one or two days each week, 12% would prefer just to go in for key meetings/events and only 5% wanted to work full time in the office. 8% of staff didn't want to return to an office environment at all.

Whilst many of these responses show definite trends, it should be noted that they would clearly have been affected with different survey demographics. For example, many younger members of staff prefer the office environment because; firstly they commonly prefer office based social interaction; secondly they can learn from more experienced colleagues; and thirdly they often haven't got the facilities or space at home to support effective agile working. Indeed, Houses in Multiple Occupation as a form of living is increasingly prevalent amongst younger workers, as a result of the UK housing crisis[4], which prices many young people out of the housing market for buying or renting a home of their own. In the same way, other staff demographics will need specific consideration as they may produce responses contrary to the majority viewpoint whilst at the same time still being relevant. This may be particularly true for women workers or carers.

Emerging evidence from the lockdown data suggests that childcare burdens fell disproportionately on women; there has also been a growth in workers providing carer responsibilities and whilst homeworking may provide some advantages, in other cases it may actually add to the physical, and emotional burdens, faced by workers.

Organisations planning working practices moving forward will need to consider their approaches for capturing this full picture when deciding on how they will proceed.

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4 'A decent place to live: Homes fit for Key Workers' (APSE/UNISON 2021) Available at https://www.apse.org.uk/apse/index.cfm/research/current-research-programme/a-decent-place-to-live-homes-fit-for-key-workers/

Office space

Our survey also captured a series of questions of what the office may look like in the future and asked property professionals within the public sector across the UK how their own organisation's thinking was developing in this area. Some questions touched on the shorter term asking about social distancing measures, whilst others projected further ahead considering how much office space would be needed and potential office models.

The problem in all of this is that local authorities have legacy estates, and unless you build or acquire new accommodation, you can only work with the buildings you have already. Historic town halls for example may have Restrictive Covenants related to their use cutting down on the flexibility for change of use or sale. Responses to the potential for space change or social distancing therefore will be very much dictated by the space we have to use, and the following responses should be set against this consideration.

We asked property professionals, that if in the future their authority were still required to implement social distancing measures, what percentage of previous office occupancy did they think they could achieve. The responses were quite varied, probably reflecting the differing estates represented with 8% suggesting they could only achieve 25% occupancy at most, and at the other end of the spectrum 4% claiming they could achieve over 75% occupancy. The biggest return was in the 25% to 50% occupancy group with just under half of respondents suggesting this was where their authorities would sit. Clearly, if working practise in the future does require social distancing measures, these new requirements for the office environment would dictate to some effect authorities approaches for staff working practice.

Whilst a handful of major employers have indicated they want to get all of their staff back into their main offices, the clear future trend looks set to be for more sustained remote and hybrid working. In our survey, 95% of respondents said that their organisation was most likely to adopt or encourage a more remote working policy. We also asked what percentage of office space they thought they would need moving forward and four out of five respondents felt there would be at least a 25% reduction in their office space need, with nearly two in five of these suggesting a 50% plus reduction.

However, it should be noted that there is a balance to be had between rationalising space and remote working practices and meeting business needs for service delivery. Some larger offices have been reopened because size has allowed for social distancing; should such needs arise again in the future; it will be important to ensure that space is not at such excessively tight margins that the spaces become redundant in any future scenario similar to COVID-19.

As the case studies in this paper show the workplace of the future will be blended, richer and more diverse in nature, with both remote and office-based solutions being part of how we approach the way we work. How our buildings affect town centres and local communities will also be critical and we will need to understand the wider impact of these facilities before making potentially knee-jerk decisions on office space alone. These approaches will need to go hand in hand with new skills, training, and staff development to sustain productivity and motivation in a world mix of virtual and physical presence and in networking, mentoring and collaborating in new ways.

Equally regard needs to be had to the traditional 'blue collar' workplaces. The pandemic introduced a range of measures to discourage congregating in depot spaces, to ensure services could continue and minimise the risk of virus transmission in vital public services. Critical health and safety training was remotely delivered into some of these sites. Many such sites are however old and dysfunctional. When assessing the future workforce needs therefore a further consideration is for workspaces beyond offices. How do they function now? Are they safe for workers? How can they meet newer business needs – including climate change, for example with space for electric or hydrogen vehicle fuelling and minimise or eliminate the carbon footprint of such workplaces?

A new baseline

So it is clear our workplaces and ways of working will change. As organisations it is almost as if we need to go back to square one and start afresh, however we are constrained by the physical bricks and mortar space we occupy. In addition, we must understand that our buildings have an effect on the communities and local economies they support, and if we change our working practice this could have a wider impact. So whilst it is important to have a strategy for the future working environment, this must not be developed in isolation of this bigger picture. We need a challenge process that looks out as well as in, that involves a range of people, and not just property, human resource and finance professionals.

Chapter 3: Conclusions and recommendations

A road-map to recovery

The road to recovery will not be simple and it will not be one solution that can be applied across all local authorities. In order to meet the challenges of the future, we will need to consider all the various factors and then establish how they need to be balanced and applied within our own localities.

Set out below are six suggested steps on the road to recovery:-

1. The Recovery

- As many businesses have struggled with the impact of COVID-19 and may indeed be lost forever as a presence on the high street or in the town centre, the role of the local authority in reshaping and restarting economic recovery will be critical.

- Local authorities are able to shape their local areas with sensitive and innovative use of their assets, helping to generate footfall in local high streets and town centres and acting themselves as an anchor presence.

2. The Reason

- We need to establish the wider impacts of our buildings and the reasons they are sited where they are. Are they simply offices/working environments or do they impact on the wider locality, either in providing direct access to services, supporting retail and/or local communities? How do we capture the social value created and how do we factor this in when making future decisions about our assets?

3. The Rebalance

- We will need to move homeworking from one of temporary or occasional status into a permanent state for many of our staff. In supporting this we must take proactive steps to educate, train and equip our staff into sustaining homeworking where possible.

- At the same time, we must recognise that some staff and essential services may need (or indeed prefer) to be office-based and ensure that the facility provided is appropriate to their needs.

4. The Repurpose

- We need to reimagine traditional processes and practices and restructure them with digital solutions where appropriate. Many services have already designed new ways to deliver services to customers. These need to be understood by all and their implications on the workplace mapped out for the whole organisation, whether this be the central office, the satellite hub, or the home office. This will need close working with human resources and information services to understand the new roles as well as understanding the value of physical and virtual 'place' both internally and with delivery partners.

5. The Reduction

- Many local authorities have already declared a Climate Emergency and committed to substantial reductions in carbon emissions. Whilst the initial prospect of rationalisation in office accommodation and other operational assets may initially seem to contribute to this reduction,

off-set that against hundreds of people working from home all with the heating on, and the picture isn't so rosy. Any future strategy therefore will need to be closely aligned to climate change objectives.

- There is an opportunity for local authorities to strive towards concepts such as the 20 minute neighbourhood, and integrate greener assets with walking and cycling routes, embedding change for the longer term.

6. The Rationalisation

- Reflecting on the considerations above, we will need to collect data, prioritise what is important for us, establish and test KPIs. We will then need to undertake structured and fundamental option appraisals ensuring that key stakeholders are involved. From these we can then develop an estate strategy that can be tested through a programme of built pilots that will demonstrate and make real solutions that deliver and support effective change for the future.

In order to travel on this road, we will need to:

- Increase partner collaborative space in centres of excellence. Doing better things, jointly with extended access to partners.

- Increase the range of spaces with innovative technology and consider how we can effectively timetable the use of space where it is shared.

- Increase space for highly transient working. Where we value collaboration through centres of excellence and accommodate teams in safe, welcoming environments.

- Decrease resident staff numbers and shift weekly patterns to include more local and homeworking.

- Rethink the relationship between employer and employee, focus on encouraging good decision making, problem solving, innovative thinking and flexibility of approach so that they are more able to operate in an environment where they may be removed from constant direction.

- Shift the traditional focus of individual ownership of space towards a culture based on customer service, sharing high quality facilities and assets.

- Gain a better understanding of the Social Value created by our buildings and use this knowledge in all our key decision.

- Capture information on how our assets, and ways of working impact on environmental issues. Not only in the buildings we own and manage, but also those (including homes) that may be future working environments.

- Although there has been much debate and contention as to the merits or otherwise of local authority investments in property and assets it is worthwhile noting that the ability to invest and intervene in local areas for the purposes of regeneration is an important part of the role local authorities play. Place-based regeneration projects which consider revitalisation of the local area in terms of social, environmental as well as economic outcomes are more likely to deliver on longer-term local and government level ambitions.

Chapter 4: Case Studies

Case Study 1: Barking and Dagenham Council - Roycroft House Project

In socio-economic terms, the London Borough of Barking and Dagenham (LBBD) is one of the most challenged of all London Boroughs. In 2020 the unemployment rate was 6.8%, job growth sat at 0% and income support claimant numbers were the highest of all London Boroughs. LBBD is also an ethnically diverse borough, with 52% of residents categorised as Black, Asian and Minority Ethnic (BAME) and it has a very young population. It scored highest of all London Boroughs on the Index of Multiple Deprivation (IMD) and has the lowest median household income in London of £27,150.

During the COVID-19 pandemic the extent to which its residents were employed in jobs that required them to travel into the City of London became apparent as the Borough's train and tube stations were amongst the busiest in Greater London. With the population of the Borough set to grow, 50,000 new homes being planned, and given the commuting patterns of its residents, one of the main challenges faced by the Borough is the effect this will have on its high streets and town centres. Unlike many of the other London Boroughs, LBBD has only two main town centre focal points: Barking and Dagenham. In Barking, an already mixed-use town centre economy has become a prime focus of the Council and its Inclusive Growth Team. Through multiple initiatives, aimed at creating and supporting both new and existing jobs and businesses, a central aim is to help avoid LBBD becoming a 'dormitory' borough in which large swathes of its residents live in, but commute out of, due to a lack of local employment opportunity.

The Roycroft House Project is one such initiative, in which the Council is seeking to make use of assets it owns in the town centre to help support regeneration and job creation. Identified as being surplus to requirements, this six floor 35,000 sq ft office building is intended to act as a catalyst at the heart of the high street through the provision of mixed use hybrid space. Initial plans include flexible workspace, public and community focused activity, an active streetscape, roof top use and both day and evening food and beverage offers.

Through the Council's own regeneration company 'Be First', detailed research was commissioned to better understand the ways in which Roycroft House could be repurposed to support the socio-economic issues evidenced prior to the COVID-19 pandemic and better support the anticipated challenges that will come after.

Having identified through this research a dearth of town centre workspace accommodation, a good understanding of the scale, location, affordability and type of space needed, and the desires of local residents evidenced through extensive survey data, it became clear that Roycroft House was a prime opportunity to address many of the issues present in the Borough including the need to support town centre regeneration.

With the Council looking to procure an operator and the subsequent launch of the repurposed asset in 2022, Roycroft House will support the changing work patterns we were already seeing prior to COVID-19, that have subsequently been super-charged during it and will continue. The advent of the '15 Minute City' concept, in which urban design seeks to facilitate the ability to live and work within a 15-minute radius, plays to the strengths of the Roycroft House Project. Throughout the COVID pandemic, many local residents have been forced to explore new ways to create income through small enterprises and start up business. By retaining control of Roycroft House and providing flexible hybrid space that meets the needs of individuals that are seeking to live and work locally, the Council is seeking to meet the challenges presented by COVID-19, demonstrating the value andtransformative change that can be delivered through the innovative and strategic use of Council-owned assets.

Case Study 2: Glasgow City Council - City Centre Living Strategy

Glasgow is a city of contrasts. Whilst being one of the fastest growing cities outside London, and arguably the UK's second most important in terms of its financial services sector, it is a city that still suffers from high levels of social deprivation in several of its localities. Indeed, almost half of its 600,000 citizens live in 20% of Scotland's most deprived areas and one in three children living in the city are living in poverty.

More than half of the world's population now live in cities with this figure set to rise to more than two thirds by 2050. Like most large cities, Glasgow is now having to manage the needs of its growing communities whilst maintaining the correct balance between affordable urban living, retail led development and business use.

Having recognised some years ago the competing priorities at play between tourism, shopping, urban living and business service provision, prior to the COVID pandemic Glasgow City Council had already embarked on an ambitious strategy to ensure that these competing needs were met in ways that supported a sustainable, inclusive and diverse city. Glasgow City Council was keen that it de-risked its local economy, attended to the needs of its disadvantaged communities, did not allow the city to become over reliant on one particular service sector and sought to meet the needs of a growing population.

When COVID-19 hit the UK and people were forced to isolate and work from home, as with other major UK cities, the negative impact on Glasgow City Centre was profound. However, having already set the conditions for a more diverse and dynamic city via its City Centre Living Strategy 2035, the Council had laid the strategic foundations for a direction of travel that was aligned with what we have now seen as a cultural shift in both working practices and shopping habits that is set to endure beyond the COVID pandemic. As an example of a city and council that was and is well placed to capitalise on the burgeoning opportunities presented post COVID, of interest is the degree to which plans already afoot have been accelerated and catalysed.

A keystone in the strategy developed by the Council that sees a diversification of land use within the city is the empowerment of local communities via its internationally recognised Stalled Spaces Scheme. Offering communities the opportunity to run and manage enterprises that deliver community benefit and regeneration on Council owned land that might otherwise remain vacant or derelict has proved hugely popular. The Scheme has involved over 150 different initiatives, from the establishment of community gardens to urban gyms, event and exhibition space to wildlife areas. A key principle adopted by the Council when liaising with communities, has been the need to ensure thorough consultation is undertaken to establish the degree of support needed from the Council for ideas being put forward. Keen not to take a binary approach to what is commonly termed Community Asset Transfer, in which a piece of land or an asset is either wholly retained by the Council or transferred complete via lease or sale to a community, the Council has been careful to ensure an evidence-based decision is made grounded in the specific needs identified through effective and detailed consultation with communities. This translates to the adoption of a flexible approach to ensure good ideas can become a reality; if the Council feels the community project is worthy but cannot be completely self-sufficient, it will retain an element of responsibility to ensure the project can be delivered. Given the pressures on the local economy due to COVID-19, and the closure of many shops and businesses, this approach (already successfully established prior to COVID-19), is well placed to ensure land and buildings that become vacant or underutilised can be repurposed to deliver community based outcomes.

Another aspect of the Council's approach has been its support to land and building owners via its city centre living accommodation policies and strategy. The City Centre Living Strategy notes the intention to deliver 4,000 residential units within the city over the next decade. It is also recognised that in order

to bring whole families into the city, schools will need to be built here too, something which is now part of the Council's plans. In identifying where 4,000 residential units might be built, COVID-19 has also highlighted the potential repurposing of under-utilised space. Having already seen poor upper floor usage in retail units whose focus has traditionally been street level trading, increased effort is now being focused on plans to develop out above such retail units. As COVID continues to have an effect on retail and high street businesses, this approach and focus by the Council will not only provide valuable space for residential development but at the same time help ailing businesses and retailers by ensuring more footfall.

At the centre of the Council's diversification and regeneration plans supporting city living is its Districts Strategy. This aims to establish a Regeneration Framework for each of the city's nine Districts. This framework will comprise a dual approach to regeneration, with longer-term strategic visioning and placemaking policies being developed in parallel to shorter-term environmental enhancement initiatives and footfall-generating projects. Whilst not seeking to disinvest in the city centre, this approach helps to rebalance the city, spreading both economic risk and opportunity across all localities. Supporting this, and accelerated by the COVID pandemic, has been the reduction of Council office-based staff working from city centre office hubs. Pre-COVID 3,500 council staff worked from five locations in the city centre. Now there are just 300.

For Glasgow City Council then, the COVID pandemic has not really been an opportunity to change its approach to asset utilisation and asset strategy. Clearly however, it has provided a significant boost to many of its plans that were already underway.

Case Study 3: South Kesteven Council – A Leisure Strategy for Carbon Reduction

In August 2019, South Kesteven Council declared a Climate Emergency making it one of the 280 councils across the UK that have now taken this decision following the UK government doing so in May 2019. Its overarching ambition when making the declaration was to "reduce its carbon footprint between now and 2030 and become net-zero carbon by 2050".

In accordance with the declaration, which stated that the Council would likely "…need to commit to embracing all relevant technologies and consider the impact on existing strategies and plans." It committed an initial £50,000 to "pursue advice on how their targets could be achieved and through which a Climate Change Officer could be appointed."

Having reviewed their estate and assessed those assets with the highest carbon footprint, it was apparent that leisure services accounted for 41% of the Council's carbon emissions. Whilst undertaking this assessment, it was also clear that the COVID pandemic was having a substantial impact on the way services could and would be delivered in the future. In relation to the outsourced model of leisure service delivery, as a result of lockdowns, the cost of maintaining and operating leisure assets was identified as an issue both in terms of suitability and sufficiency. Coincidentally, the contracts in place with the outsourced leisure service provider were also due for review and renewal.

In a logical move, the Council reached the conclusion that a full-scale review of leisure service provision was required. Of most significance throughout the review were the following factors and considerations:

- How could the Council harness the increased appetite of the public to use new technology to enable administrative functions to be delivered remotely?
- How would the market volatility during and shortly afterwards the pandemic affect the ability of the Council to secure Best Value if they chose to renew the outsourced contracts for leisure service provision?

- As a result of COVID, how had the pandemic changed the way the public used their leisure time to stay physically active and healthy?
- How was the pandemic (in the short term) and the change in how the public use their leisure time (in the long term) going to affect the ongoing, financial suitability and sufficiency of existing leisure service assets?
- How could the review of leisure services facilitate a reduction in the Council's carbon footprint?

As a result of the review, the Council reached the following key conclusions:

- Through an improved IT infrastructure, in part realised due to the changes forced upon the Council as a result of the COVID pandemic, many of the administrative functions associated with the delivery of leisure services could be achieved remotely.
- Renewing outsourced leisure contracts at a time of great market uncertainty put at risk the ability of the Council to achieve Best Value in the ongoing provision of services through an outsourced delivery model.
- As a result of the COVID pandemic, the public had begun to use outdoor spaces far more extensively, a habit the Council assessed would be sustained beyond the period of the pandemic.
- With the change in how leisure time would be used, there was a need to facilitate better open-air facilities. This impacted the cost versus usage viability of existing leisure service buildings. The Council therefore needed the flexibility to give consideration to alter their building footprint.
- A reduction in the usage of physical buildings used by leisure services would have a significant impact on the Council's carbon footprint.
- Outline fitness and activity classes.
- Use of facilities as testing and vaccination centres, creating different use of the building.

In a bold but well-informed move, the Council decided not to renew the existing leisure service contracts. Instead, the provision of leisure services was brought in-house via the establishment of a TECKAL company, wholly owned by the Council, that would give them the freedom and flexibility to address the risks and opportunities they had identified in the review.

Using support and guidance from Sports England to guide their leisure strategy, knowledge of how administrative functions could be delivered remotely, and their own understanding of how the public were seeking to utilise parks, playing fields and open spaces, the Council are now well positioned to deliver a more responsive and fit for purpose service. The main benefits derived from the leisure service review are:

- A reduced carbon emission footprint.
- Reduced reliance on buildings to provide leisure-based services delivering maintenance and repair cost savings.
- Improved utilisation of and enhancements to open air leisure spaces.
- Expected reduced subsidy levels delivering cost savings.
- Expected reduced energy usage delivering cost savings.
- Greater control, flexibility and influence over the way the service is delivered and performs.
- Reduce the risk of operator/contractor failure.

Case Study 4: Swansea City Council – A City Centre Hub

By any measure Swansea Council's regeneration ambitions are both impressive and far reaching. Prior to the Coronavirus pandemic, the stage was already set for considerable investment and restorative change focused on its Central Area via the Council's Regeneration Framework published in 2016. Alongside this, following a decision to declare a Climate Emergency in 2019, the Council has been working toward a net zero target in respect of emissions it has direct control over by 2030. More broadly, a separate work stream within its Climate Change Action Plan is pursuit of a net zero position in respect of the whole City and Swansea County by 2050, requiring collaboration with major employers, citizens and businesses.

In March 2020, when the Coronavirus pandemic hit the UK and lockdown commenced, as part of its Regeneration Strategy, Swansea Council had already planned the move of a multi-service centre from the Bay area into the centre of the City in accordance with one of its key strategy objectives – Meeting Community Requirements. The benefits afforded by this move would see improved accessibility and visibility of front-line services for Swansea residents whilst simultaneously driving footfall into the City Centre helping to support local businesses and retail spend.

Initial plans for the move had identified the need to deliver over 100,000 square feet of space dedicated to the delivery of community facing Council services. However, as lockdown progressed, it became clear that a re-evaluation of this initiative would be prudent given the changing ways in which services could be delivered for best effect and best value.

The result of this re-evaluation was hugely beneficial. New proposals saw an increase in the breadth of service provision available across a range of community focused public services and cost savings deliverable to the Council who would now be able to take advantage of new agile working arrangements to free up space for other agencies to occupy a significant proportion of the initial 100,000 square feet identified. As a result of its reassessment, the reduction in floor space required by Swansea Council dropped from 100,00 square feet to just 20,000 square feet. As well as delivering greater opportunity to other public sector services who were seeking to occupy the multi-service hub, the reduction in the Council's own emissions resulting from a reduction in floor space usage has helped contribute towards its goal of delivering a net zero Council by 2030.

The model adopted by Swansea Council in respect of its multi-service City Centre hub, supporting both regeneration and a reduction in its emissions, is now being implemented more broadly across a number of towns within the wider Swansea Council region. A hub and spoke approach to the use of its operational assets to support agile working policies are set to bring a number of advantages to both residents using services, and staff delivering them. Sustained home and remote working from these multi-service hubs is set to become a central pillar of Swansea's workforce strategy, supporting a reduction in car travel and carbon emissions by its employees, increased well-being through more flexible working arrangements and an increase in town centre service provision to support high street footfall.

The delivery of flexible workspaces to support start up and small businesses is a UK wide issue and is one which, if not tackled effectively, will constrain the economy and the UK governments goal of seeing GDP return to pre-COVID levels within 2 years. Already a growing market prior to the pandemic, the flexible office sector had seen exponential growth with the largest take up in the regional office market being seen here in consecutive years from 2017 to 2019. In 2019 alone there were 24 new centres opened in regional office markets.

In Swansea, having identified no flexible office space provision in the City Centre, the Council is effectively grappling with this issue through its City Deal partnership with the private sector and collaboration with Swansea University. Through the City Deal initiative an 80,000 square foot high-tech office complex is planned which will deliver flexible space allowing start-up businesses to occupy

space to suit their needs. The intent is the delivery of flexible office accommodation that ranges from the simple hire of a desk space all the way through to a traditional lease of an office suite. Planned prior to the coronavirus pandemic, a partial redesign of the building's internal spaces has been required in order to ensure spaces such as corridors and stairwells are sufficiently wide enough and occupants are able to work safely given what we now know about the COVID-19 virus and how easily it can spread in closed working environments.

Case Study 5: St Helens Council – Agile Working Strategies Supporting Town Centre Regeneration

Prior to the COVID pandemic, the approach St Helens Council had taken to workspace strategy was very traditional with desk allocations for staff across their six core administrative buildings within the town being almost 1-to-1. Acknowledging this, prior to March 2020 and the first UK lockdown, they had already completed an agile workspace trial to test whether new and emerging approaches to workspace provision would work for them and could be expanded across their estate. Coincidentally, as the March 2020 lockdown commenced, the Council had already embarked on a new Joint Venture with Muse, a town centre development and regeneration specialist, and Homes England. Its remit was the creation of a long-term borough wide partnership that would see Council-owned land and assets utilised to drive regeneration, with a particular focus on St Helen's town centre. Like many towns in the Northwest of England and the rest of the UK, it had suffered decline over several years as a result of austerity, the rise of out-of-town and edge-of-town retail development and the increase of online retailing. The Council's ambitions for the town centre are focused on shrinking the retail offer to create more opportunity for alternative use, with a particular focus on improving the impact its heritage and cultural assets could bring. As a traditional northern industrial town, St Helens has a proud working-class heritage with a highly successful world-renowned glass making industry still located in the town. With several iconic and culturally significant buildings within the town centre, the Council was keen to use these as a catalyst to help drive regeneration and the local economy.

As lockdown commenced and homeworking for Council staff began, progress on the development of an agile workspace strategy increased at pace, learning from the pilots that had already been undertaken. Alongside this was a revision of its town centre regeneration strategy, as it became clear that a sustained reduction in office accommodation requirements would provide an opportunity to revisit some key assets held by the Council that could be used to support regenerative outcomes.

As a result of a recent move away from a historic and outdated software platform to a newer system, staff found working from home and at remote locations easier than expected. As part of a new model, a pilot was delivered in two libraries, providing staff touch down points were put in place and worked well. One challenge the Council faced however was the traditional culture and mindset of its staff regarding desk and office usage. The Council found that, to a large extent, the COVID pandemic and its after-effects relating to wholesale change in working practices being seen right across the UK, supported the required change in culture they were seeking to create. There was greater acceptance amongst staff that things would not go back to the way they were. To support this, the Council appointed 230 'Culture Champions' at all levels of the staff hierarchy and conducted a 46-point questionnaire to ensure they fully understood staff needs and views on a move to a more agile workforce and workspace model. The positive results from this initiative to support culture change were evidenced in a drop from circa 20-30% in complaints or negative feedback from staff who resisted the loss of 'their' desk in the initial trials, to almost nil complaints.

The Council initially focused their efforts with this new strategy on the town centre accommodation they owned. The staff decant that occurred during lockdown periods enabled them to re-arrange unoccupied space to provide a range of new environments so that after lockdown, staff would be

able to experience a more flexible and agile workspace that allowed them to to determine what worked best for them, and their service. These new configurations broadly adopted a 1 desk per 10 staff ratio and staff, using a web-based app, would be able to book time at that desk or other locations as required. Remaining space was freshened up with vibrant decoration and improved lighting and reconfigured to deliver a mixture of collaborative environments from booths with noise attenuating fabric and furniture to open plan meeting space and conference rooms. It is the Council's intent (if the new space works well) that the approach will be adopted with the introduction of 'locality hubs' throughout the rest of the Borough.

Again, one aspect of the way the COVID pandemic supported the aims of the Council's new approach to workspace and workforce strategy, was the ability to concentrate staff on this project who would have otherwise been furloughed. This extra resource had an accelerating effect. The preparation of new hub working environments in spaces unoccupied by staff now working from home or alternative 'COVID-secure' accommodation, were prepared in as little as 4-6 weeks as 4-6 weeks. Otherwise it would have taken much longer given the need to undertake extensive logistical staff movement planning.

As a result of the Council's new workspace and workforce model, three of its six core administrative buildings within the town centre could be made available for alternative use to support the towns regeneration. This included the Gamble Building, gifted in 1896 to the people of St Helens by Sir David Gamble, a local chemical magnate, one time Mayor of St Helens and a relative of the Gamble family that began the famous Proctor & Gamble business in America. Having previously been used as a library and as office-based council accommodation, its future role in catalysing town centre regeneration will lie in cultural, educational, heritage, arts and social purposes. Another of the three repurposed civic buildings is St Helens Town Hall. Like many around the UK, it is architecturally significant having been built during the late Victorian period. Being comprised of not only a magnificently grandiose external façade and clock tower, but equally impressive internal rooms and halls that lend themselves to event and venue use. No longer used as offices, its future will involve the delivery of commercial income and footfall into the heart of the town. Importantly, as a direct result of the impact COVID has had, both these iconic buildings are seeing new life breathed into them and their re-exposure to the people of St Helens will be an important factor in the Council's strategy not only to regenerate the town, but also build back pride in the town and its Council which has waned significantly over recent decades.

Conclusion

The risk we face is that many of us could be constrained by our own trepidation, but our one responsibility must be to resist the temptation to replicate the comfortable past and revert back to a 'business as usual' approach. This type of change may appear daunting, but authorities would be wise to view this moment in time as an opportunity to make positive change to examine their options and appraise their current workplace and estate to meet the challenges of the future.

Changing the way an organisation intends to operate, shifting the predictable pattern of office/operational building use to something more relevant to the post COVID-19 environment need will require more than just the decision to abandon the office and instruct everyone to adopt homeworking. If we really want to make a difference there needs to be a shift in the well-established operating models, requiring the repurposing of all of these systems if the vision for a new way of working is to be successfully implemented and sustained.
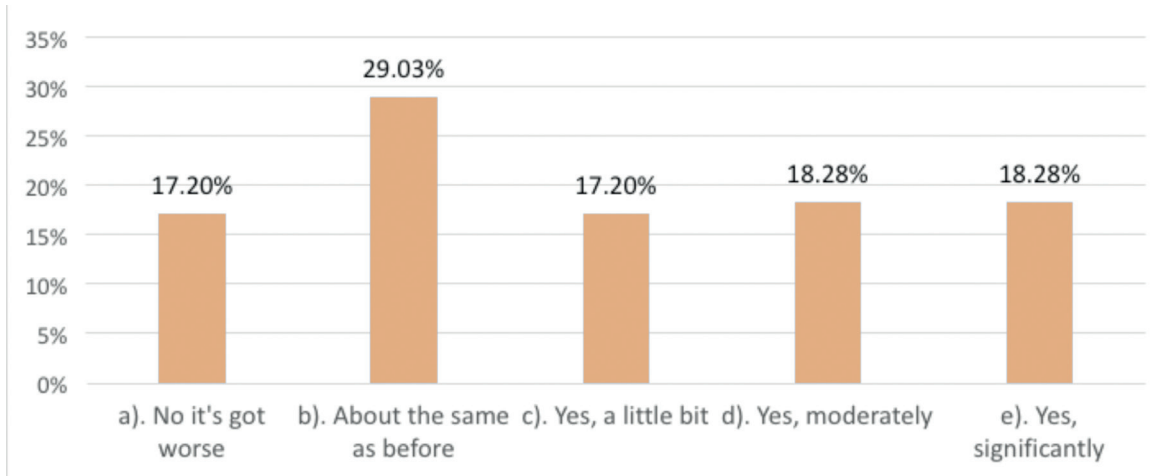
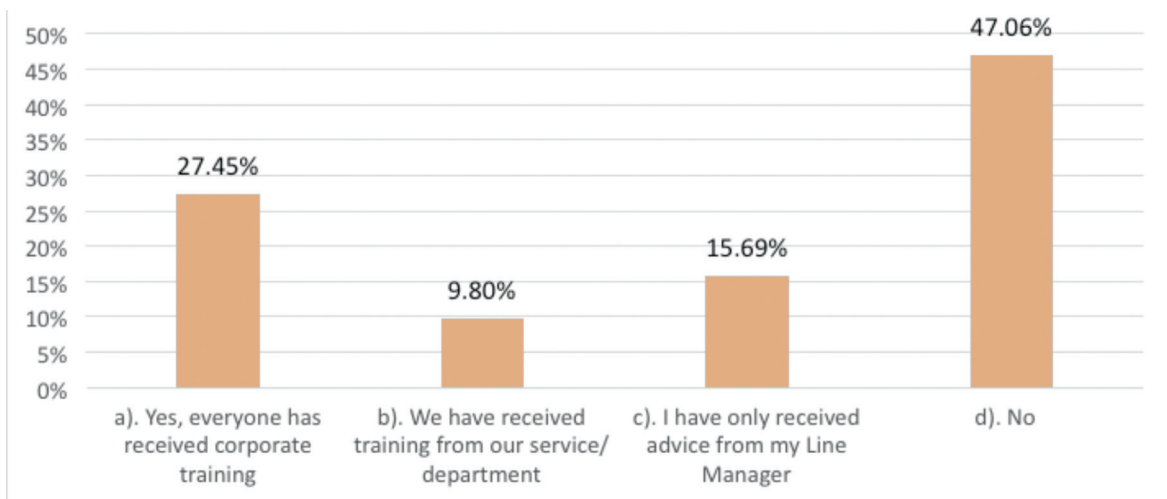# Appendix – Survey results

Homeworking

Do you feel your work life balance has changed since lock down started?
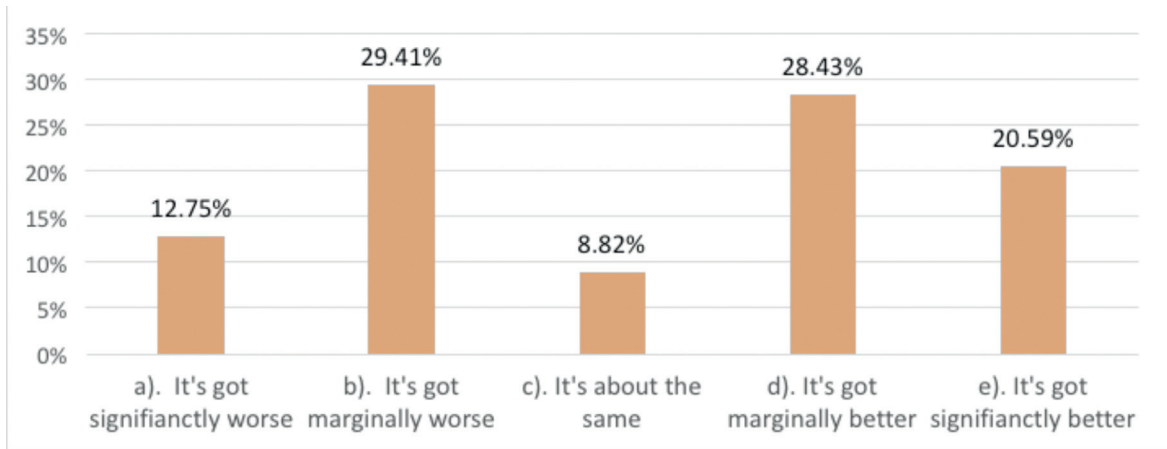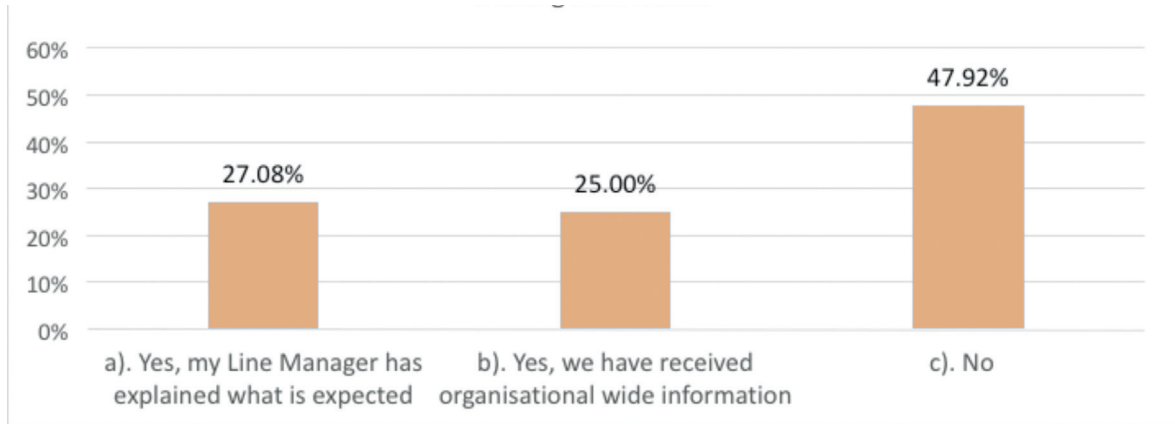

Do you feel your productivity has increased during COVID lockdown?
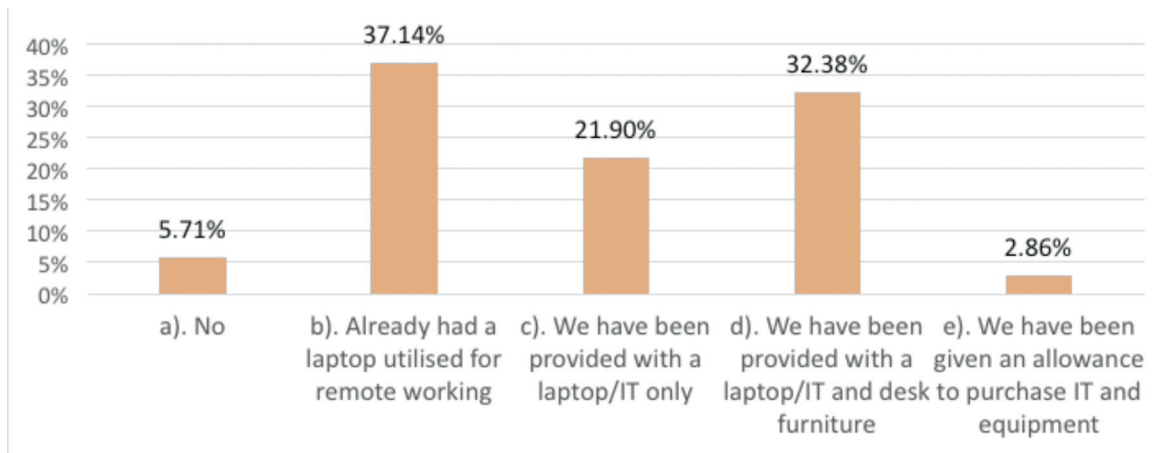

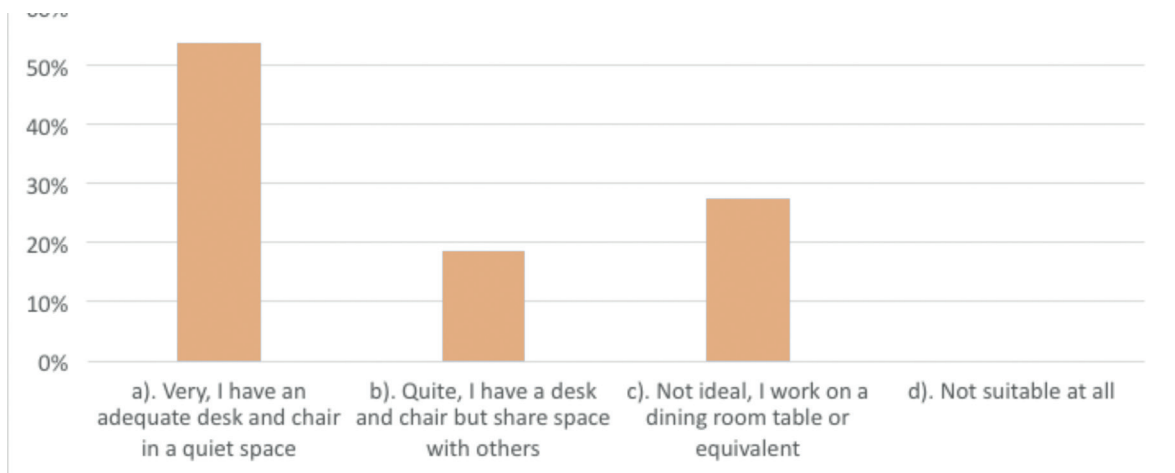Have you received any training regarding working from home?

Have you received any instructions on what is expected from you when working from home?
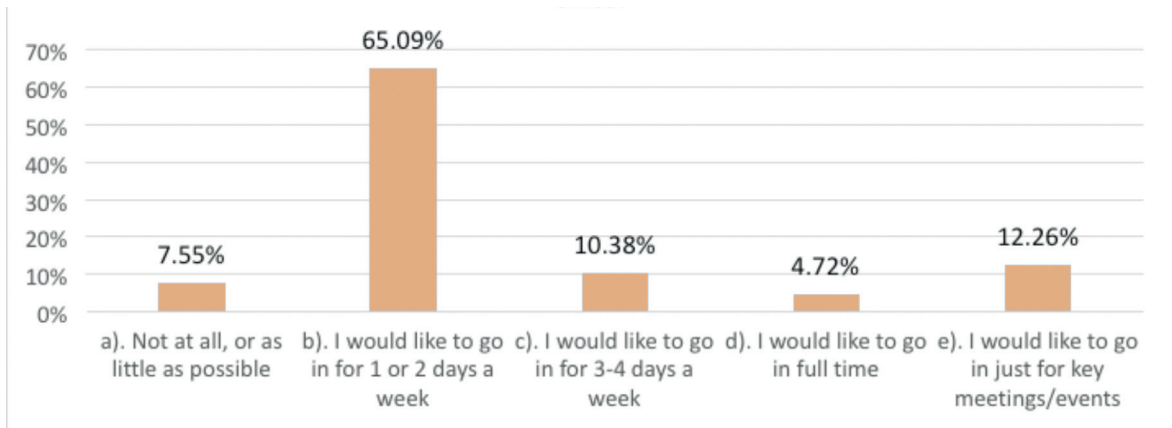

Have you been given any allowance/equipment for remote working that is not your usual office?

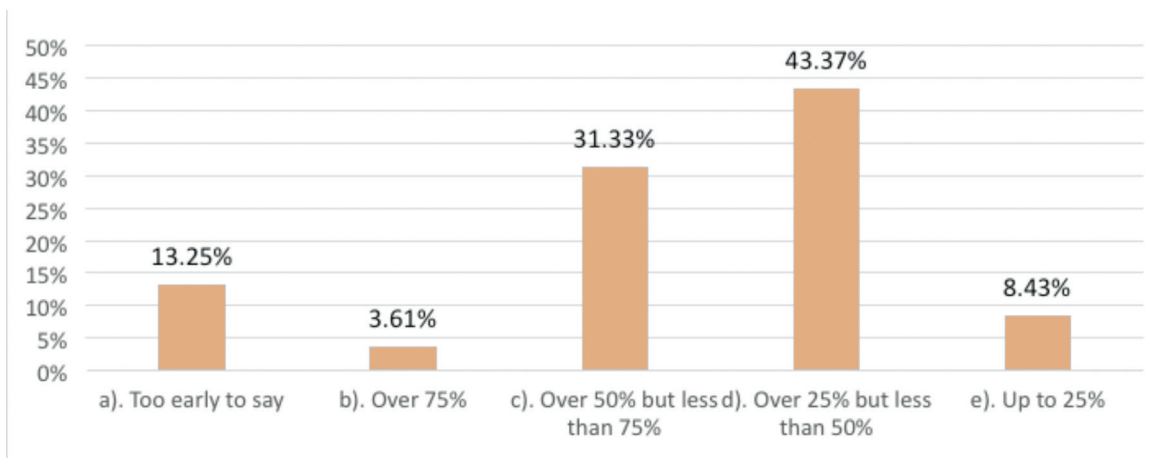How suitable is your current home for home/agile working?

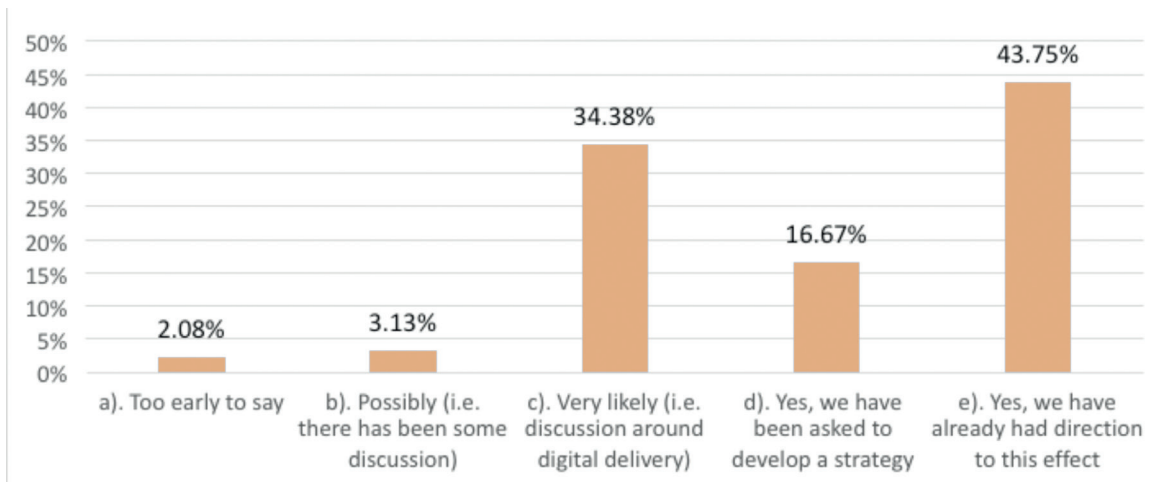If you had the choice in the future would you prefer to go back to work in an the office?

Office Space

With social distancing measures, what % of your previous office occupancy do you think you can achieve?

Following the Coronavirus Crisis do you see your organisation adopting/encouraging a more remote working policy?

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