

EAST RENFREWSHIRE COUNCILCabinet10 November 2022REVIEW OF COUNCIL OFFICE ACCOMMODATION**PURPOSE OF REPORT**

1. To advise Cabinet of the proposed approach and timescale to review the Council's use of its office accommodation portfolio.

RECOMMENDATION

2. It is recommended that the Cabinet consider the issues surrounding the Council's accommodation portfolio and provide comment on the proposed approach to its review.

BACKGROUND

3. The Council has a number of properties that it uses for office accommodation. This includes Eastwood Headquarters, Barrhead Main Street, 2 Spiersbridge Way, Thornliebank Depot and St Andrew's House. Some Education Department staff also occupy a part of St John's Primary School. In addition to this the Council has a vacant property at Burnfield Avenue formerly occupied by the HSCP. A variety of back office and public facing services are delivered from these locations.

4. Covid, along with the utilisation of modern technology, has seen an acceleration of changes to traditional working practices and environments. These changes have seen staff operate from the traditional office environment, home, and a range of remote locations. Staff now have the tools to carry out their work in a location that best supports the service they deliver, as well as meeting their own needs

5. Prior to Covid the Council operated a one person to one desk ratio as has been the practice in many organisations for many years. The one person to one desk ratio left offices under-occupied as staff could be out of the office working in local communities, on annual leave or absent due to sickness. Post-covid hybrid working, has left even more desks unoccupied.

6. As such an opportunity existed to move to a reduced person-to-desk ratio or shared desk environment. The Council has been exploring the possibilities associated with such a transition and making the necessary preparations for its implementation. It has found that a move to 10 persons to 6 desk ratio would maximise use of office space. This project is called "The Way We Work".

7. It follows that there is now office space surplus to requirements. Therefore an exercise was undertaken to identify what office space or properties could either be disposed of or potentially shared with other organisations in order to share the cost. However, sharing space is proving difficult due to the need to coordinate different requirements, budgets and timescales with that of the Council.

8. As a consequence an exercise is now in progress to identify which properties could be identified as surplus to requirements and then disposed of or used differently.

9. The opportunity for the Council to operate fewer office buildings comes at a welcome time from both a financial and environmental perspective.

10. Office accommodation is expensive to maintain. In 2021/22 the cost of heating and lighting the three main offices noted at (Headquarters, Barrhead Main Street and Spiersbridge) was £213K. Given the recent fuel price increases this cost is expected to rise to £306K for 22/23 and to £457K in 23/24. This is in addition to the general running costs of the three office buildings (exclusive of energy) which was £1.002m in 2021/22.

11. Cabinet may wish to note that the recent Budget Strategy Consultation undertaken between October and December 2021 found that the public, when asked how the Council should fund resources and lessen the impact of budget pressures in the future, identified fewer properties as a key theme.

12. Furthermore, the combined CO2 emissions of the 3 office buildings was 676.5 tonnes of CO2 in 2021/2022. A reduction in buildings could mean that these emissions would be reduced. Given that the Council is targeted to meet net-zero carbon emissions by 2045, a complementary exercise is underway to assess how best to achieve this across the Council's full accommodation portfolio and what the likely costs will be.

13. The investment needed will be significant which further emphasises the need for the disposal of properties that are surplus to requirements.

REPORT

14. It was therefore necessary to determine which properties could be in scope for disposal. Thornliebank Depot and St Andrew's House are specialist properties and are considered to be out with the scope of feasibility for disposal considerations.

15. The depot is being explored separately as part of the Net Zero Carbon agenda as the Council considers the practical consequences of decarbonising especially the phasing out of petrol and diesel vehicles. The Council currently has 170 vehicles in its fleet and by 2030 all fleet vehicles will require suitable space and infrastructure for recharging.

16. St Andrew's House delivers specialist addiction services to the community and its location in Barrhead is suitable. This building will remain a key building in the Council's accommodation strategy and has recently benefitted from an upgrade to improve treatment room facilities for its clients.

17. Burnfield Avenue was previously identified as surplus to requirements and this has previously been reported to Council. Both the sale and lease of the building have been pursued in recent years but with limited success due to the lack of occupier demand in the market. As a consequence of limited demand, other options for this building are being explored including a potential location for electrical vehicle charging (EVC) point for council vehicles and/or other operational use. In terms of the Council's Accommodation Strategy, this represents an opportunity for the Council to move towards a greener transport fleet in addition to relieving pressure on the depot.

18. This leaves three buildings (Barrhead Main Street, Spiersbridge, Headquarters) under consideration. To achieve the desk ratio that is desired, one building can be disposed of as it will be surplus to requirements.

19. Spiersbridge is not owned by East Renfrewshire Council. Currently the Council leases the building with the lease expiring in February 2026. If the building is handed back to the landlord we would need to pay circa £500K in dilapidations. Under the terms of the lease the

Council has an option to purchase the building before the lease expires. In a number of scenarios purchasing it could be advantageous although it is not without risk. An options appraisal assessing the risks and benefits of purchasing the building is currently being undertaken.

Proposed Approach for Disposal Consideration

20. Consideration of which building to dispose of can be viewed from a variety of perspectives including size (staff capacity), ease of adaptability (largely determined by construction type and design), geography and carbon footprint.

21. The aim is not just to have fewer buildings; it is also desirable to have better buildings. The Council's office accommodation needs to be more modern, more accessible, more efficient and more welcoming. These factors need to be taken into account when assessing potential disposal.

22. Barrhead Main Street is suitable for retention given its size and adaptability. It also has a regeneration role as an anchor building in Barrhead. The retention of a remodelled Barrhead Council building provides an opportunity for *additional* footfall in the town of Barrhead and thus contributes to the Council's regeneration aspirations, as expressed recently in the Levelling Up Fund (LUF) bid for the town. This is because more people are likely to occupy the building than pre-Covid.

23. Investment would be required for the Barrhead building for the installation of a variety of energy efficiency measures, renovation and modernisation of the public areas. Staff welfare facilities would need to be improved and hybrid meeting technology installed reducing the need for staff travel between meetings. This would permit additional occupancy of the building and enable either Headquarters or Spiersbridge to close. It should however be noted that this amount of investment will only *contribute* towards a reduction in its carbon footprint; substantial additional investment would still be required to achieve net zero. The substantial element of carbon reduction measures will be addressed at a later stage and will not be a significant element of the proposed works at this stage.

24. The majority of existing desks and chairs would be re-used to ensure costs are kept to a minimum and the carbon footprint of the design is kept low.

25. A capital sum of £1.9M for improvement work on the Barrhead building was approved by Council as part of the capital plan in 2018. Due to Covid this work was delayed. Detailed designs for the Barrhead building are now being costed and will work will be focused on improving the capacity of the building, and improving the customer facing areas. Designs will build upon the approach successfully adopted at the Eastwood Health and Care Centre. Cabinet should note that retrofitting occupied buildings is complicated and for this reason there are currently no timescales for this work but is aimed for completion within the next twelve months.

26. This leaves two substantial buildings in Eastwood - Spiersbridge and Headquarters to be considered. However, Eastwood Headquarters is more than just office accommodation. It is also a public access building for the registration of births, marriages and deaths and is the location of the council's civic chambers including elected member accommodation. This factor is being considered as part of an options appraisal that is currently be undertaken as to which building could be disposed of.

Option1

27. Option One would be to close Headquarters and

- Move office staff into Spiersbridge and Barrhead Main Street.
- Divert registration (birth, marriage, death) services into Eastwood House or the new leisure centre or Giffnock Library or a similar location.
- Utilise Eastwood House as a civic chamber and as a location for member services.

28. Such an approach could have a number of benefits:

- Existing car parking pressure on the Eastwood site is already significant and if the existing leisure centre was replaced, future pressures would be alleviated.
- A vacant site for future opportunities would be created with the demolition of Headquarters.
- The construction type of Headquarters is such that it makes renovations financially prohibitive and therefore costs would be avoided when working towards net zero targets

29. Given the population distribution within East Renfrewshire a Civic Chamber is perhaps best located in the former Eastwood side of the authority. Eastwood House could provide an opportunity for an appropriate setting for the civic chambers and could permit the better use of a building of historic importance to the local area which is currently underutilised. The practicalities of this suggestion are being explored and there will be consultation with Councillors before any recommendations are brought back to Council.

30. The retention of Spiersbridge and its increased occupation also provides an opportunity for additional footfall in the town of Thornliebank and thus contributes to the Council's regeneration aspirations, as expressed recently in the proposed LUF bid for the town.

Option2

31. Option two would be to retain Headquarters and bring the lease of Spiersbridge to an end.

32. Such an approach could have a number of benefits:

- The Spiersbridge building is less geographically accessible for the provision of public facing services
- Headquarters already has provision for elected members and is well regarded by many as the traditional base of East Renfrewshire Council
- Eastwood House would then remain available for other uses

33. The options appraisal will be reported to Council, hopefully towards the end of the financial year, in order to permit members to take a decision. Factors to be taken into account will include capacity, ease of adaptability, ability to meet current and future service needs, cost, Get to Zero factors and the necessity of maintaining an appropriate civic chambers on the Eastwood side of the authority. Further detail on the proposed approach is covered below at paragraph 36-37.

FINANCE AND EFFICIENCY

34. There are not any financial implications associated with the proposal to review the Council's use of its accommodation portfolio as this will be undertaken with existing staffing resources. The report does highlight the associated significant revenue and capital costs associated with running the various office buildings and the need to lower their carbon footprint. More detail will be reported when the outcome of the options appraisal is presented.

CONSULTATION AND PARTNERSHIP WORKING

35. The review of office accommodation is part of the wider corporate project "The Way we Work". The options appraisal will involve comprehensive liaison with all potentially impacted services to ensure the assessment of service need is comprehensive.

36. In addition technical and financial detail will be required and this will be received from colleagues in Accountancy and Property & Technical Services. In addition Scottish Futures Trust have agreed to assist with the options appraisal. This is due to the complexity of the options appraisal.

IMPLICATIONS OF THE PROPOSALS

37. This report does not have any implications in terms of staffing, legal or equalities.

CONCLUSIONS

38. A post-Covid world and new ways of working means that the Council has a surplus of office accommodation. Furthermore the revenue costs associated with operating public buildings is increasing as a result of increasing utility charges. In addition there is a requirement for significant investment in each property in order to ensure net-zero carbon emissions. For these reasons the issue of surplus buildings needs to be addressed. A reduction in office accommodation and an investment in the remaining properties can ensure that the Council minimises unnecessary spend whilst providing modern fit-for-purpose buildings that meets the needs of our staff, elected members and communities.

RECOMMENDATION

39. It is recommended that the Cabinet consider the issues surrounding the Council's accommodation portfolio and provide comment on the proposed approach to its review.

For further information contact Phil Daws, Head of Environment (Strategic Services),
Phil.Daws@eastrenfrewshire.gov.uk

Convener contact details

Councillor Owen O'Donnell
(Leader of the Council)

Office: 0141 577 3107
Mobile: 07435 735692

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