

EAST RENFREWSHIRE COUNCILCABINET19 June 2023Report by Director of EnvironmentREVIEW OF COUNCIL OFFICE ACCOMMODATION**PURPOSE OF REPORT**

1. The purpose of this report is to advise the Cabinet of the outcome of the review of the Council's office accommodation portfolio.

RECOMMENDATIONS

2. It is recommended that the Cabinet:-
- a) Approves the principle of not renewing the lease of the Spiersbridge office when it expires;
 - b) Notes the intention to cost and submit a Capital Project Appraisal in relation to Eastwood Headquarters;
 - c) Notes the intention to submit an investment bid to progress the design; and
 - d) Notes the intention to return to Council with more detailed costed options.
 - e) Note that full year technology/ICT revenue costs to support the 'way we work' programme will be incorporated when compiling pressures for the Council's 2024/25 revenue budget.

BACKGROUND

3. A paper to Cabinet on November 10th detailed the proposed process that was being undertaken in relation to a review of the Council's office accommodation portfolio. https://www.eastrenfrewshire.gov.uk/media/8372/Cabinet-item-11-10-November-2022/pdf/Cabinet_item_11_-_10_November_2022.pdf?m=638028164237030000

4. The report presented an update on the position with regards to office accommodation as part of a wider transformation plan to support changing ways of working. The report noted:

- a) Covid, along with the utilisation of modern technology, has seen an acceleration of changes to traditional working practices and environments;
- b) As a consequence there is now office space surplus to requirements;
- c) An exercise needed to be undertaken to identify what office space or properties could be disposed of; and
- d) The two key buildings under consideration for closure were Spiersbridge or Eastwood Headquarters.

5. The paper also noted Eastwood Headquarters is more than just office accommodation. It is also a front facing 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.

6. The report also explains that 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 the Council would need to pay dilapidations. Under the terms of the lease the Council has an option to purchase the building before the lease expires.

7. The report highlighted that a decision will be required on which building to retain: Spiersbridge or HQ.

8. Two key options were presented in the November report.

9. Option One - Retain the use of Spiersbridge and end the occupation of Headquarters. This would involve a need to:

- a. Divert registration (birth, marriage, death) services into Eastwood House or the new leisure centre or Giffnock Library or a similar location; and
- b. Utilise Eastwood House as a civic chamber and as a location for member services.

10. Option Two - Retain Headquarters and bring the lease of Spiersbridge to an end.

11. Although not explicitly mentioned in the report there would be a third option of retaining both buildings. This has subsequently been included as an option for illustrative purposes.

12. The report proposed that an options appraisal would be carried out and reported back to Council in the spring of 2023. At this stage an "in principle decision" to bring the lease of Spiersbridge to an end is sought with an intention to arrange workshops with elected members on the options for HQ prior to returning to Council for a decision.

REPORT

13. In the last few months an exercise has been undertaken to explore the two scenarios outlined above and a number of options have been developed.

14. Both scenarios were seen to have potential advantages and disadvantages. And in the last few months a detailed options analysis has been developed. The options considered are outlined below:

- **Option One** - Retain the use of Spiersbridge and end the occupation of Headquarters.
 - i. **Option One A** - Vacate HQ, extend the Spiersbridge lease for further 20 years and remodel/refurbish Eastwood House for Civic Chambers.
 - ii. **Option One B** - Vacate HQ, purchase Spiersbridge and remodel/refurbish Eastwood House for Civic Chambers.
- **Option Two** - Retain Headquarters and bring the lease of Spiersbridge to an end.
 - i. **Option Two A** - Vacate Spiersbridge and retain HQ with minor adaptive works. No works to Chambers.

- ii. **Option Two B** - Vacate Spiersbridge and retain HQ with substantial adaptive works. No works to Chambers.
 - iii. **Option Two C** - Vacate Spiersbridge and retain HQ with minor adaptive works and minor refurbishment of the Chambers.
 - iv. **Option Two D** - Vacate Spiersbridge and retain HQ with substantial adaptive works and substantial refurbishment of the Chambers.
 - v. **Option Two E** - Vacate Spiersbridge and retain HQ. No works to any building.
- **Option Three** - Continue with the current arrangements of occupying both HQ and Spiersbridge.

15. The following data has been gathered for each option:

- The anticipated capital costs
- Annual debt repayments associated with the options
- Annual cost of energy at 2024/ 25 forecast prices
- Annual property costs
- Carbon Emissions
- Any risks, issues and dependencies.

16. The detail for each option is included at Appendix One.

17. The costs have then been calculated over a 20 year period. The table contained within the appendix provides the necessary data for each of the options. The same designer and cost consultant have been engaged for both buildings to ensure appropriate comparisons. Fees have been calculated at 12.5% and contingencies at 20% of the overall cost.

18. It was previously thought that the construction type of Headquarters were such that it would make renovations financially prohibitive. A recent assessment by external consultants has concluded that this is not the case. In fact the quality of the construction makes renovations possible to improve the flexibility of usage of the building and extend its useful life.

19. The most expensive option is option 3 costed at £17.46M over a 20 year period. This reflects the continuing of the current arrangements and provides a financial baseline against which other options are compared. This includes the extension of the lease on Spiersbridge for 20 years and continued occupation of both Spiersbridge and Headquarters. Given that this would also mean that no upgrade works would be undertaken to either building it is felt that this isn't a desirable option from either a financial or non-financial perspective.

20. Both Option One A and Option One B are costed at over £16M over a twenty year period. Options Two are costed at between £8.9M and £14.12M.

21. From a cost perspective Option Two is the best option.

22. The assessment however also needs to include non-financial considerations. In undertaking the assessment, the factors taken into account included:

- a) The potential occupational capacity of each building is important. Based on a person to desk ratio of 10/6 the capacity of Spiersbridge would be around 230 whilst for HQ it would be around 350. Therefore, Headquarters provides an opportunity to consider freeing up other buildings or opportunities for collaboration and co-location with other public and third sector providers.
- b) Consideration of which building has the potential to improve service delivery, attract and retain a skilled and motivated workforce, encourage increased engagement with our communities and key stakeholders supporting service innovation and collaboration.
- c) Environmental sustainability is also an important consideration and whilst there are financial challenges associated with delivering on council policy in support of the climate change agenda, factors such as carbon reduction potential, improved promotion of the use of public transport and contribution to Local Heat and Energy Efficiency Strategy (LHEES) strategy were all considered. It is currently a policy goal of the Scottish Government that all public buildings will be Net Zero in terms of carbon emissions by 2038 although this is not yet a legal requirement. The proposed designs for HQ could lower the carbon footprint of the building. The proximity of Headquarters to other council owned buildings such as the Leisure Centre and the school could provide an opportunity to promote LHEES via a district heating system and this is currently being explored.
- d) In relation to retaining Spiersbridge, a vacant site would be created within Eastwood Park for future council use through the demolition of Headquarters.
- e) The importance of retaining the correct buildings which provide the right sized footprint and one which provides the flexibility to adapt to change. The HQ building is not suitable in its current format and condition for modern hybrid working with many individual offices and an ineffective use of space. Investment would be required to create an open plan modern environment. As such Option Two E is not recommended. However the recent work has shown that changes are possible at a reasonable cost.
- f) Headquarters already has provision for elected members and is well regarded by many as the traditional base of East Renfrewshire Council.
- g) Retention of HQ would mean that Eastwood House would then remain available for other uses.
- h) Accessibility is a key consideration for customers and staff. The Spiersbridge building is less geographically accessible for the provision of front facing public services, whereas HQ is a better location.
- i) From a regeneration perspective the retention of Spiersbridge and its increased occupation could provide an opportunity for additional footfall in the town of Thornliebank and thus contribute to the Council's regeneration aspirations.

23. It is clear that vacating Spiersbridge and retaining Headquarters is the best option both from a financial and a non-financial perspective.

24. It is therefore proposed that:

- the principle of not renewing the lease of the Spiersbridge office; and
- the variations of Option Two are explored in more detail and workshops will be undertaken with elected members during this time to discuss options for the building. This will be the subject of a future report to Council.

25. The proposed timeframe for the exploration of the variations of Option Two is likely to be between 3-6 months.

FINANCE AND EFFICIENCY

26. The cost of the exploration of the variations for Option Two and taking the preferred option (once chosen) to Royal Institute of British Architects Stage 4 design is estimated to be around £90K. This is subject to a procurement process. It is proposed that this cost is funded from the Council's Feasibility Fund.

27. Once an option has been selected, capital funding would be sought as part of the 2024/25 General Fund Capital Allocation process for the financial years 2024/25 and 2025/26.

28. It should be noted that car parking pressure on the Eastwood Campus site has often been significant and when the existing Eastwood Leisure Centre is replaced, this pressure will increase. In order to address this a master planning exercise for the Eastwood Campus site, informed by a traffic assessment, is proposed. This is likely to cost around £40K. This is subject to a procurement process. Capital provision has already been made in the 2024/25 General Fund Capital Allocation for Eastwood Campus improvements.

29. As part of the ending of the lease the Council are liable for dilapidations. Revenue provision for this has not yet been made but will require to be accounted for as part of a future budget setting.

30. Costs of the technology/ICT infrastructure for the retained building and for planned Barrhead office developments, including the relevant support resources are not yet finalised. It is important to note that, irrespective of decisions on disposal of a building, this technology investment would be required to modernise the way we work and meet the expectations of our workforce and elected members. The aim of this work is to make every workstation as uniform as possible including monitors, keyboards, docking stations, headsets, etc and to have hybrid meeting equipment in our meeting rooms.

31. At this time the capital cost for Barrhead is estimated to be £147,000, which can be accommodated from the Digital Workplace Capital budget – there may be further costs to replicate this model to additional sites and this will be taken forward via the Capital Programme. There are estimated to be c.£39,000 of revenue costs in 2023/24 and annual recurring revenue costs of c.£51,000 in future years – these revenue costs should be sufficient for both Barrhead and a further retained site (e.g. HQ or Spiersbridge). The revenue costs cover failed kit, an element of refresh and third-party support from suppliers where required. No provision has been made in the current year's budget for these. We will monitor budgets carefully and try to absorb these costs in 2023/24 and will incorporate full year revenue costs when compiling pressures to be accommodated in the Council's 2024/25 revenue budget.

32. All options will incur the costs of dilapidations for Spiersbridge, either as a payment to the landlord or if the council purchase the building, to bring it back up to standard. Subject to council approval, the Council has made provision for the dilapidations in the Repairs and Renewal reserve. Therefore the cost of dilapidations has not been included in the options as it does not affect the business case.

CONSULTATION

33. It is proposed that a number of briefing sessions will be held with elected members to explore the potential design options that are available for Option Two, both in relation to the office accommodation and the civic chambers. This will provide an opportunity for explanation and feedback.

34. In addition, a working group will be established involving impacted services in order to progress the possible design options.

PARTNERSHIP WORKING

35. As part of the development of the options, officers from the Council met with officers from Scottish Futures Trust to obtain a 'peer review' of the approach taken. The Council's approach was well received. The proposed approach being suggested by the Council of a more efficient use of its property assets but doing so from a range of financial and non-financial perspectives is the correct one and reflects current Scottish Government approach to hybrid working, retention of property and reuse of assets.

IMPLICATIONS OF THE PROPOSALS

36. There are no implications of the proposal to bring the lease of Spiersbridge to an end specifically in terms of staffing, IT, Subsidy Control, equalities and sustainability.

37. The proposed reduction in the council's operational property portfolio will lower the Council's carbon emissions.

38. The legal implications of not renewing the lease will be addressed by the Council's legal and Estates teams.

CONCLUSIONS

39. The need for a review of the Council's office accommodation portfolio is necessary due to changes to traditional working practices and environments. An assessment of capacity has identified that an office building can be vacated without an adverse impact on service delivery, achieving a financial saving and providing an opportunity to modernise and future proof the remaining office accommodation portfolio.

40. The outcome of an options appraisal has concluded that it would be appropriate to not renew the lease of the Spiersbridge office when it expires and to explore the options that are available to modernise and improve the Council's current headquarters.

RECOMMENDATIONS

41. It is recommended that the Cabinet:-

- a) Approves the principle of not renewing the lease of the Spiersbridge office when it expires;
- b) Notes the intention to cost and submit a Capital Project Appraisal in relation to Eastwood Headquarters
- c) Notes the intention to submit an investment bid to progress the design; and
- d) Notes the intention to return to Council with more detailed costed options
- e) Note that full year technology/ICT revenue costs to support the 'way we work' programme will be incorporated when compiling pressures for the Council's 2024/25 revenue budget.

Director of Environment

Further information can be obtained from Phil Daws, Head of Environment (Strategic Services) 0141 577 3186 or phil.daws@eastrenfrewshire.gov.uk

June 2023

BLANK PAGE

Appendix 1 – Options Costs/Savings Summary

Option	20 Year Cost (£'000)	Savings Compared with Status Quo (£'000)
1a: Vacate and demolish HQ, extend or renew Spiersbridge lease for further 20 years and remodel/refurbish Eastwood House for Civic Chambers.	£16,132	£1,328
1b: Vacate and demolish HQ, purchase Spiersbridge and remodel/refurbish Eastwood House for Civic Chambers.	£16,716	£744
2a: Vacate Spiersbridge, retain HQ with minor adaptive works. No works to Chambers.	£11,291	£6,169
2b. Vacate Spiersbridge, retain HQ with substantial adaptive works. No works to Chambers.	£13,022	£4,438
2c. Vacate Spiersbridge, retain HQ with limited adaptive works and limited refurbishment of the Chambers.	£11,900	£5,560
2d. Vacate Spiersbridge, retain HQ with significant adaptive works and significant refurbishment of the Chambers.	£14,127	£3,333
2e. Vacate Spiersbridge and retain HQ. No upgrade works undertaken to HQ. Staff relocated between HQ and Barrhead offices.	£8,930	£8,530
3: Status Quo. Extend lease on Spiersbridge for 20 years and continue to occupy both SB and HQ. No upgrade works undertaken to either building. Council does not reduce the number of buildings it occupies.	£17,460	£0

BLANK PAGE

2780Appendix 1A - Detail

Option Description Key Metrics <u>Summary Programme</u>	GIA (m ²)	Co2 (tonnes) 5 yr ave / (Range)	Capital Cost (£k)	Annual Energy Cost (£k)	Annual Property Costs (£k)	Debt Repayment (Average p.a.)	20 Year Total Cost Energy + Annual Property Costs + Debt Repayment (£k)	Commentary
<p>1a: Vacate and demolish HQ, extend or renew Spiersbridge lease for further 20 years and remodel/refurbish Eastwood House for Civic Chambers.</p> <p>Lease renewed during FY 23/24. First Floor upgrade commences Q1 25.</p>	<p>3282 (SB 1576m², EWH 1706m²)</p>	<p>SB 115 (92 – 145) HQ 233 (200 – 336) EWH 93 (87 – 103)</p>	<p>£3226</p>	<p>£124.3</p>	<p>£459.6</p>	<p>£222.7</p>	<p>£16,132</p>	<ul style="list-style-type: none"> • Potential to generate £198,900 net savings pa. • Full council occupancy of Eastwood House includes additional rates liability. • Limited ability in Eastwood House to improve size of Chambers space • Estimated loss of income to Trust c £50,000. (allowed for within potential net savings). • Significant revenue budget pressure on leased building • Eastwood House property budget is part of a larger budget allocation and has no dedicated budget. As a result costs are a mix of known data and estimates from data from other buildings of similar size on a pro rata basis. • Alternative location required for Customer First and Registrations as EWH deemed not suitable for relocation for these services. Limited/few alternative options. • Assumes landlord will still serve a schedule of dilapidations to protect their interest. Assumes lease continues at current rental. Dilapidations will be a revenue pressure. • Loss of Eastwood House as a training venue is a risk to the council. Potential cost implications for alternatives. • First floor upgrade programme dependent upon date of lease renewal.

Option Description Key Metrics Summary Programme	GIA (m ²)	Co2 (tonnes) 5 yr ave / (Range)	Capital Cost (£k)	Annual Energy Cost (£k)	Annual Property Costs (£k)	Debt Repayment (Average p.a.)	20 Year Total Cost Energy + Annual Property Costs + Debt Repayment (£k)	Commentary
<p>1b: Vacate and demolish HQ, purchase Spiersbridge and remodel/refurbish Eastwood House for Civic Chambers.</p> <p>Assumes purchase is complete during FY24/25. First Floor upgrade commences Q2 24</p>	<p>3282 (SB 1576m², EWH 1706m²)</p>	<p>SB 115 (92 – 145) HQ 233 (200 – 336) EWH 93 (87 – 103)</p>	<p>£6183</p>	<p>£124.3</p>	<p>£274.1</p>	<p>£437.4</p>	<p>£16,716</p>	<ul style="list-style-type: none"> • Potential to generate £172,000 net savings pa. • Full council occupancy of Eastwood House includes additional rates liability. • Limited ability in Eastwood House to improve size of Chambers space • Estimated loss of income to Trust c £50,000. (allowed for within potential net savings) • Loan repayments spread across three buildings. • Eastwood House property budget is part of a larger budget allocation and has no dedicated budget. As a result costs are a mix of known data and estimates from data from other buildings of similar size on a pro rata basis. • Alternative location required for Customer First and Registrations as EWH deemed not suitable for relocation for these services. Limited/few alternative options. • Dilapidations Report highlights that additional expenditure will be required at some stage on roof and Heating systems and will be a potential additional financial burden on the council if purchasing the building. The timing of when this is incurred can be at ERC's choosing. • Option to purchase mechanism in lease creates a higher purchase price when compared with acquiring similar building with vacant possession. • Loss of Eastwood House as a training venue is a risk to the council. Potential cost implications for alternatives. • HQ staff relocated to Spiersbridge and Barrhead offices.

Option Description Key Metrics Summary Programme	GIA (m ²)	Co2 (tonnes) 5 yr ave / (Range)	Capital Cost (£k)	Annual Energy Cost (£k)	Annual Property Costs (£k)	Debt Repayment (Average p.a.)	20 Year Total Cost Energy + Annual Property Costs + Debt Repayment (£k)	Commentary
<p>2a: Vacate Spiersbridge, retain HQ with minor adaptive works. No works to Chambers.</p> <p>Assumes works undertaken during FY 25/26. Commence Q3 24 complete Q3 25.</p>	4025 (HQ)	SB 115 (92 – 145) HQ 233 (200 – 336)	£1688	£130.5	£316	£118.09	£11,291	<ul style="list-style-type: none"> • Potential for net savings of £321,395 pa. • Dilapidations costs on exiting the lease are assumed to be a revenue pressure as ERC do not own Spiersbridge. • Assume all works to HQ are completed before lease ends on Spiersbridge in Feb 2026. • Spiersbridge to be used for touchdown along with Barrhead office during works to HQ. • Phasing of works allows staff to remain in HQ. Under occupancy of building would allow staff to also relocate to other floors during works if required. • Works include removal of selected walls to create additional open plan spaces to facilitate more Team zones.

Option Description Key Metrics Summary Programme	GIA (m ²)	Co2 (tonnes) 5 yr ave / (Range)	Capital Cost (£k)	Annual Energy Cost (£k)	Annual Property Costs (£k)	Debt Repayment (Average p.a.)	20 Year Total Cost Energy + Annual Property Costs + Debt Repayment (£k)	Commentary
<p>2b. Vacate Spiersbridge, retain HQ with substantial adaptive works. No works to Chambers.</p> <p>Assumes works undertaken during FY 25/26. Commence Q3 24 complete Q3 25.</p>	4025 (HQ)	SB 115 (92 – 145) HQ 233 (200 – 336)	£2914	£130.5	£316	£204.61	£13,022	<ul style="list-style-type: none"> • Potential for net savings of £245,102 pa. • Dilapidations costs on exiting lease are assumed to be a revenue pressure as ERC do not own Spiersbridge. • Assume all works to HQ are completed before lease ends on Spiersbridge in Feb 2026. Allows Spiersbridge to be used for touchdown along with Barrhead office. • Phasing of works allows staff to remain in HQ. Under occupancy of building would allow staff to also relocate to other floors during works if required. • Works include creating more open plan and collaborative spaces to further improve flexibility and usage of the building.

Option Description Key Metrics Summary Programme	GIA (m ²)	Co2 (tonnes) 5 yr ave / (Range)	Capital Cost (£k)	Annual Energy Cost (£k)	Annual Property Costs (£k)	Debt Repayment (Average p.a.)	20 Year Total Cost Energy + Annual Property Costs + Debt Repayment (£k)	Commentary
<p>2c. Vacate Spiersbridge, retain HQ with limited adaptive works and limited refurbishment of the Chambers.</p> <p>Assumes works undertaken during FY 25/26. Commence Q3 24 complete Q1 26.</p>	4025 (HQ)	SB 115 (92 – 145) HQ 233 (200 – 336)	£2124	£130.5	£316	£148.52	£11,900	<ul style="list-style-type: none"> • Potential for net savings of £294,347 pa. • Dilapidations costs on exiting lease are assumed to be a revenue pressure as ERC do not own Spiersbridge. • Assume all works to HQ are completed before lease ends on Spiersbridge in Feb 2026. • Allows Spiersbridge to be used for touchdown along with Barrhead office during works to HQ. • Phasing of works allows staff to remain in HQ. Under occupancy of building would allow staff to also relocate to other floors during works if required. • Works include removal of selected walls to create additional open plan spaces to facilitate more Team zones. • Limited refurbishment of Chambers to improve functionality and accessibility.

Option Description Key Metrics Summary Programme	GIA (m ²)	Co2 (tonnes) 5 yr ave / (Range)	Capital Cost (£k)	Annual Energy Cost (£k)	Annual Property Costs (£k)	Debt Repayment (Average p.a.)	20 Year Total Cost Energy + Annual Property Costs + Debt Repayment (£k)	Commentary
<p>2d. Vacate Spiersbridge, retain HQ with significant adaptive works and significant refurbishment of the Chambers.</p> <p>Assumes works undertaken during FY 25/26. Commence Q3 24 complete Q1 26.</p>	4025 (HQ)	SB 115 (92 – 145) HQ 233 (200 – 336)	£3713	£130.5	£316	£259.84	£14,127	<ul style="list-style-type: none"> • Potential for net savings of £195,416 pa. • Dilapidations costs on exiting lease are assumed to be a revenue pressure as ERC do not own Spiersbridge. • Assume all works to HQ are completed before lease ends on Spiersbridge in Feb 2026. • Allows Spiersbridge to be used for touchdown along with Barrhead office. • Phasing of works allows staff to remain in HQ. Under occupancy of building would allow staff to also relocate to other floors during works if required. • Wider refurbishment of Chambers to increase size of space to deliver greater flexibility, functionality and accessibility. • Works include creating more open plan and collaborative spaces to further improve flexibility and usage of the building.

Option Description Key Metrics Summary Programme	GIA (m ²)	Co2 (tonnes) 5 yr ave / (Range)	Capital Cost (£k)	Annual Energy Cost (£k)	Annual Property Costs (£k)	Debt Repayment (Average p.a.)	20 Year Total Cost Energy + Annual Property Costs + Debt Repayment (£k)	Commentary
2e. Vacate Spiersbridge and retain HQ. No upgrade works undertaken to HQ. Staff relocated between HQ and Barrhead offices.	4025 (HQ)	SB 115 (92 – 145) HQ 233 (200 – 336)	£0	£130.5	£316	£0	£8,930	<ul style="list-style-type: none"> • Potential to secure net savings of £426,500pa from Spiersbridge running costs. • Cheapest option but potential to unlock improved usability and collaboration opportunities within HQ will not be achieved. • Whilst the cheapest option and delivers potential for the largest level of savings, HQ will not be fit for purpose. • A 10:6 desk ratio allows the majority of Spiersbridge based staff to be relocated through better use of the existing office space however there will be compromises for Teams relocating to the building. • Dilapidations costs on exiting lease are assumed to be a revenue pressure as ERC do not own Spiersbridge. • Disparity between working environment at HQ and at Barrhead offices. • Does not address Chambers current limitations nor the buildings current space use issues.

Option Description Key Metrics Summary Programme	GIA (m ²)	Co2 (tonnes) 5 yr ave / (Range)	Capital Cost (£k)	Annual Energy Cost (£k)	Annual Property Costs (£k)	Debt Repayment (Average p.a.)	20 Year Total Cost Energy + Annual Property Costs + Debt Repayment (£k)	Commentary
3: Status Quo. Extend lease on Spiersbridge for 20 years and continue to occupy both SB and HQ. No upgrade works undertaken to either building. Council does not reduce the number of buildings it occupies.	5601 (SB 1576m², HQ 4025m²)	SB 115 (92 – 145) HQ 233 (200 – 336)	£0	£197	£676	£0	£17,460	<ul style="list-style-type: none"> • Most expensive option. • No potential to generate any savings. • Current lease on Spiersbridge expires on 19/2/26. • Assumes landlord will still serve a schedule of dilapidations to protect their interest. Dilapidations will be a revenue pressure as ERC do not own Spiersbirdge. • Assumes lease continues at current rental. • No catalyst for the council to further embrace hybrid working and reduce buildings it occupies. • Current preferential position of service charge cap on lease may be removed on any new lease agreed.