

EAST RENFREWSHIRE COUNCIL13 December 2023Report by Chief ExecutiveMODERNISATION OF EASTWOOD HEADQUARTERS, GIFFNOCK**PURPOSE OF REPORT**

1. The purpose of this report is to seek approval to progress with modernisation works at Eastwood Headquarters, Giffnock.

**RECOMMENDATIONS**

2. It is recommended that the Council:
- a) Approves carrying out substantive works to Eastwood Headquarters following the decision to terminate the lease and close the Spiersbridge office in part to deliver future savings;
  - b) Approves the proposal to undertake minor, adaptive works in relation to progress towards net-zero carbon targets;
  - c) Notes the requirement for additional capital funding which will be considered as part of the 24/25 budget process; and
  - d) Approves further design work to be undertaken to Royal Institute of British Architects, (RIBA) Stage 4, acknowledging that this work is undertaken on the assumption that additional capital funding will be made available.

**BACKGROUND**

3. A paper to Cabinet on June 19<sup>th</sup> 2023 detailed the outcome of the review of the Council's office accommodation portfolio. Full details of this paper can be found [here](#).
4. At this meeting, Cabinet approved not to renew the lease of the Spiersbridge Office when it expires in February 2026 and noted the intention to return to Council with more detailed costed options for modernisation of Eastwood HQ to facilitate increased numbers of staff.
5. The Eastwood HQ options were presented to Cabinet last June and the saving in closing the Spiersbridge office equates to £449,500 per annum. This cost includes annual revenue savings of rent, service charge, property running costs and energy costs. These savings will be realised with effect from February 2026 when the lease on Spiersbridge expires.
6. Further analysis and consideration has been undertaken on a range of options and these have concluded that substantive, adaptive works including Civic Chambers - are

taken forward. More details, in terms of why this option, what this includes and related costs are outlined in the remainder of the report.

## REPORT

7. It is recognised that at a time of financial constraint all expenditure on buildings, as opposed to direct service provision, needs to be carefully considered. However it is important to note that it is not sufficient to simply dispose of surplus buildings. Remaining buildings require regular investment and in some cases re-purposing of space to serve new and or more flexible ways of using accommodation. Council office accommodation, like all buildings, require upgrades to ensure they are fit- for- purpose and to extend their useful life. In addition to this and given the planned closure of the Spiersbridge Office building in early 2026, significant numbers of staff require to be relocated elsewhere. The proposal for Eastwood HQ not only modernises the building but meets the need to support additional staff on a hybrid basis. The current building configuration does not do this.
8. Eastwood HQ was built in 1980 and aside from a small upgrade to the Civic Chambers and recent upgrade to the reception in 2015, the building has not benefited from any significant investment or upgrade since its construction over 40 years ago. Many of the building's original fittings remain to this date, including windows, staff welfare facilities, internal finishes and electrical infrastructure. These fittings are beyond their design life, inadequate for today's workforce needs and require replacement.
9. In addition to this, the boilers are 15 years old and will be approaching 'end of life' within the next 5 to 10 years. The windows, being of original construction, are old and draughty, resulting in heat loss and many do not open and close properly.
10. Despite the outdated 'look and feel' of the building, the project consultants have reported that the building was originally constructed to a high standard and it remains structurally sound. Furthermore, the building has had few issues with water ingress following roof works approximately 15 years ago. As a result, this represents a solid basis for modernising the offices and the Civic Chambers.
11. The proposal for Eastwood HQ seeks to modernise the building to create an improved working environment to attract and retain staff, with in-built technology to support hybrid working and collaboration.

### Office Accommodation

12. It is recognised that the way we use our office space has changed in recent years. Technology has transformed the way we work and deliver services. The use of technology such as Microsoft Teams means that office space needs to support a mixture of in-person and hybrid meetings. Increased mobile working is supported through the use of hand-held devices and apps. For example, the Scottish Road Works Register (SRWR) suite of apps includes utility drawings and inspections information which officers can access on-site.
13. Effective and productive working is substantially influenced by access to technology and workspaces to collaborate. The current design of HQ, with many corridors and closed small offices with limited technology substantially restricts collaboration opportunities and natural light.

14. Currently there is one small break-out area and while additional meeting rooms have been created over the years, these are not fit-for-purpose. A mechanical and electrical (M&E) assessment undertaken in March 2023 found that the electrical system was outdated, noting a significant number of sockets not working, with a heavy reliance on extension cables in use to address this and the absence of desktop sockets and network points. Meeting rooms with no convenient sockets for laptop use also leads to trailing cables which causes frustration amongst staff, limiting their ability to work in certain areas of the building and also poses a health and safety risk. Basic kitchen facilities i.e. kettle and sink, which have been installed in cupboards are also outdated, showing signs of ageing and lack modern amenities. Addressing both of these issues will improve safety and function and provide more appropriate facilities for staff.
15. The 2023 ERC Staff Health and Wellbeing Survey found that:
  - 27.93% of respondents disagreed with the statement; "I work in a modern office environment when I am on council premises"
  - 25.07% of respondents disagreed with the statement: "I have adequate facilities in my council workplace to support my health & wellbeing."
16. There is positive evidence that working in modern, fit-for-purpose office accommodation can bring significant benefits including:
  - Much greater opportunity for communication and collaboration among and across teams. It also allows for informal conversation and a free flow of ideas and opinions;
  - Building relationships with colleagues and strengthening teams;
  - Face-to-face learning is an important part of overall learning- there is great value in sitting with and learning from others in the course of daily routines and work;
  - Greater opportunities for informal and formal mentoring; and
  - Attracting the best talent to work in the organisation.
17. It is proposed that Eastwood HQ builds on the design ethos of the Eastwood Health & Care Centre offices and more recently, the plans for modernisation at the Barrhead office. This would see a move away from traditional private or personal office space to shared workstations, collaboration/break-out space, fit-for-purpose meeting rooms, 'touch-down' and quiet zones.
18. The proposal will make best use of all spaces including closed offices spaces, where required. The objective will alter the current lay-out to provide more open-plan office space, additional meeting rooms and informal collaboration areas, with new and upgraded staff welfare facilities to address the current deficiencies and to reflect that the building will accommodate additional staff, following the Spiersbridge closure. Other improvements include improved noise reduction measures throughout the building and overall improved occupant comfort through better ventilation and upgraded lighting. There would also be an increase in natural light levels through a more open plan approach in places-
19. Pre-Covid 19 occupancy levels for HQ offices were assessed in the region of 220 employees with more than 240 workstations, on a 1:1 person to desk ratio. Using a 10:6 person to desk ratio, 380 staff (using 228 workstations), could have Eastwood HQ as their contractual operational base. This would comfortably accommodate the relocation of approximately 108 employees currently based at the Spiersbridge Office.

Moreover, these ratios support a generous tolerance to accommodate existing staff requiring more time in the office in future years.

20. The proposed option increases the building's overall net useable area, including the useable area in the offices increased by 13% (350sqm).

### ICT

21. Modern, office working environments rely heavily on technology to facilitate communication, collaboration, productivity, and security. Each workstation at Eastwood HQ would have a standard level of kit which mirrors the approach taken in the Barrhead office. This will provide consistency for staff in any of our buildings. New large screens and hybrid equipment would be installed throughout the building's meeting rooms to allow for both in-person and remote participation. Reliable technology is essential to ensure meetings are not interrupted due to technology failure.

### Civic Chambers

22. The current Civic Chambers were designed before the widespread use of modern technology and, whilst modifications have been undertaken, the current facility could be substantially improved with regards to the use of technology, capacity and space.
23. The Chambers existing disabled access is currently severely restricted. A proposed raised floor would remove the requirement for the chairlift and enable more than one wheelchair user at a time to access the space. In addition, these works would relocate the audio-visual/server room to address the current awkward layout which frees up space in the main chambers area.
24. The current furniture is fixed in place thereby restricting flexibility on how the Chambers can be used for other purposes. In addition, the current desk space can be tight when accommodating both meeting papers and a laptop. The furniture would be replaced by modern, modular furniture to increase the flexibility within the space, allowing various seating styles to be accommodated, i.e. conference, workshop, boardroom, classroom styles etc. to create a multi-functional facility.
25. The current chambers can accommodate 35 officers and Elected Members along with a public gallery. The proposal would allow a doubling of the numbers of officers and Members to approximately 70 and retains a public gallery. In addition to being able to accommodate an increased number of people, the space would also be able to be used as a large meeting, events and training facility. This would be supported by modern, hybrid meeting technology to create a fully flexible multi-functional space which would support Council and wider community partnership activities.
26. The proposed works also include a reduction in size of the existing Members' Lounge from 67sqm to 15sqm. Members have indicated the Lounge is currently underutilised and this alteration would accommodate new toilet facilities. The current toilet facilities, which as outlined above, date back to the original construction date of the building, would be removed to create the additional space within the modernised chambers area. In addition, a new kitchen facility would be accommodated within the space which would be an important feature to support the flexible use of the space for more events and meetings. The Committee Room and Members' Lounge are combined and the Provost's Office is not affected.

27. This option increases the useable area in the Chambers from 90sqm to 170sqm, an increase of 90% on the existing area and, as highlighted above, creates a more useable and flexible space. Modernising the Chambers and associated areas could provide potential to generate income from events, conferences and seminars.
28. It should be noted that the proposals for works for both the offices and Chambers are indicative at this stage. Designs may change following consultation with stakeholders and services.

## Net Zero Opportunities

29. Undertaking the above work requires the Council to assess to what extent it wishes to take into account the future need to decarbonise buildings. There are some works that could be either undertaken now or later but it would be beneficial (from a cost, carbon and disruption minimisation perspective) to undertake these now.
30. Minor, adaptive works to help contribute towards net-zero targets would include new, larger radiators and upsized piping to future-proof later installation of new heating systems. This work is disruptive and it would be prudent to undertake this alongside modernisation works to avoid future damage to any decorative works.
31. In addition, the replacement of the windows is strongly recommended. The current windows are life-expired and have a number of deficiencies. They would be replaced with triple-glazed windows which would improve the thermal efficiency of the building. A small financial saving on heating would also be achieved. In conjunction with opening up some rooms to provide more open-plan space and improved ventilation to the office, the new windows will also provide better ventilation through trickle vents. This allows permanent air flow thereby significantly improving the air quality which has a direct positive impact on staff health and wellbeing.
32. Whilst the lease expiry on the Spiersbridge office is February 2026, the office modernisation element of HQ would be completed before this date. Works would be undertaken on a phased basis with the Chambers programmed as the last phase. This approach allows Eastwood HQ staff to be accommodated at Spiersbridge whilst works are underway and Spiersbridge staff, to be based at HQ, would be relocated as and when their new office accommodation is completed.
33. Works would be scheduled to start on site in January 2025 and be completed by August 2026.

## **FINANCE AND EFFICIENCY**

34. The estimated costs for the proposed works to both the offices and Chambers are £3.7m. This cost is inclusive of 20% contingencies and a 15% allowance for fees based on costs provided in Q1 2023. This option allows the Council to release the Spiersbridge office at the lease expiry in February 2026 at a saving of £449,500 gross per annum. Over a 20 year period this modernisation proposal represents a £3.3m saving in the Council's accommodation costs whilst providing a significant investment and renewal in office and chamber accommodation.
35. The costs for the 'net-zero' minor adaptive works are £800,000. These costs are not included in the savings calculation noted at paragraph 34.

36. It is recognised that, should this paper be approved, funds will not be available until April 2024 and to develop the design to RIBA Stage 4 detailed design, design team fees of £90,000 will be required for the period of January to March 2024. These costs will be met from the Council's Feasibility Fund. The remaining costs would be funded over 2 years from the approved capital budget from April 2024.
37. It should be noted that the costs prepared as part of the initial feasibility for HQ are based on Q1 2023 indices with allowances for inflation forecasts. In addition, there is still the need to undertake further disruptive/intrusive surveys on the building in relation to the preferred option which could potentially have a bearing on overall costs.
38. In terms of technology, costs for HQ requires a capital budget of £160,000 to cover desk set-up and collaboration screen costs, based on the desk numbers above. This is based on current costs for this hardware and is currently subject to the 2024/25 capital planning process. Revenue costs have already been built in at time of Barrhead provisioning so no additional revenue for ICT is envisaged.
39. In summary the total sum requested is £4.66M which can be broken down as follows:
  - £3.700M for modernisation works
  - £0.800M for net Zero works
  - £0.160M for ICT

## **CONSULTATION**

40. It is proposed that further briefing sessions will be held with Elected Members to provide updates on the development of the design for HQ, both in relation to the office accommodation and the Chambers, should this be approved. This will provide an opportunity for explanation and feedback.
41. In addition, a working group will be established to progress and inform the possible design options. This working group will learn from the engagement process deployed for the Barrhead office modernisation.

## **PARTNERSHIP WORKING**

42. In consultation with Procurement colleagues, it has been agreed that the Council would utilise Hub West Scotland (HWS) to support the core project team in managing the delivery of this project. This will ensure that sufficient resources are applied to the project to ensure delivery on time and within budget.

## **IMPLICATIONS OF THE PROPOSALS**

43. There are no negative implications of the proposals to modernise HQ specifically in terms of staffing, IT, Subsidy Control, equalities and sustainability. The proposal to incorporate carbon reduction measures within the HQ modernisation would have a positive impact on the Council's overall operational emissions. The plans also incorporate improved staff welfare facilities which will be beneficial to staff well-being. Improved access in the Civic Chambers will also benefit people with mobility issues.

## **CONCLUSIONS**

44. Modernisation of the offices and Civic Chambers presents the Council with an opportunity to substantively future-proof this key building within the office accommodation portfolio. In addition, the proposals improve the flexibility, capacity and efficiency of the building and would reflect the changes to traditional working practices in recent times. The proposal will significantly improve the working environment and civic space, with a strong focus on improved access and provision of staff welfare facilities, including break-out spaces. Improved meeting rooms and collaboration space would also enhance productivity. Overall, the modern, welcoming environment that will be created will improve the overall impression created for visitors, partners or members of the public coming into the council premises. The open plan nature of the offices will allow greater visibility and encourage greater interaction amongst colleagues. This is particularly important for new employees and managers to support interaction across and up and down throughout the organisation, broadening networks of knowledge and contacts. Attractive and accessible working environments are important to support staff retention and recruitment. The flexible use of the space has the potential to support and facilitate events to support strong community engagement.
45. The proposals also would offer enhanced facilities for local community groups to meet.
46. Furthermore, these proposals extend the useful life of an asset without an adverse impact on service delivery and achieve a substantive financial saving over the longer term.

## RECOMMENDATIONS

47. It is recommended that the Council:
  - a) Approves carrying out substantive works to Eastwood Headquarters following the decision to terminate the lease and close the Spiersbridge office in part to deliver future savings;
  - b) Approves the proposal to undertake minor, adaptive works in relation to progress towards net-zero carbon targets;
  - c) Notes the requirement for additional capital funding which will be considered as part of the 24/25 budget process; and
  - d) Approves further design work to be undertaken to Royal Institute of British Architects, (RIBA) Stage 4, acknowledging that this work is undertaken on the assumption that additional capital funding will be made available.

Chief Executive

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