

EAST RENFREWSHIRE COUNCIL  
AUDIT AND SCRUTINY COMMITTEE

22 November 2018

Report by Director of Environment

RATIONALISATION OF COUNCIL PROPERTIES

**PURPOSE OF REPORT**

1. To advise the Audit and Scrutiny Committee on work being undertaken to rationalise the use of Council property and buildings.

**RECOMMENDATION**

2. It is recommended that the Committee considers the report.

**BACKGROUND**

3. The Audit and Scrutiny Committee in June 2018 agreed that a report be sought on the rationalisation of Council property and buildings.

4. East Renfrewshire Council has an accommodation portfolio (both office and non-office) that it has acquired over a substantial period of time including properties acquired by predecessor Councils. Some of this accommodation is owned by ERC and some is rented.

5. The Council's portfolio totals 115 operational properties. Of these 43 are Education properties and 28 are licenced to the Leisure Trust. A further 6 are depots and stores. This leaves 38 operational properties and these are listed at appendix one.

6. The need for and usage of accommodation has changed substantially since much of this portfolio was acquired due to:

- a smaller workforce;
- technology has changed how we work;
- changing patterns of customer behaviour; and
- the creation of new buildings.

7. As a consequence some of the Council's buildings at this point in time are now surplus to requirements. This includes Lygates, the Dickie Building, Capelrig House, the McGuire Building and the former Clarkston Social Work office.

8. The Council is making concerted efforts to dispose of or identify an alternative use for any property that is deemed surplus to requirements.

9. The following paragraphs provide the detail of what actions have been taken to dispose of or refurbish Council properties that were either surplus to requirements or required investment to facilitate appropriate effective usage.

10. The report only addresses buildings that would be deemed “significant” in terms of their value or previous use. Some properties that could be deemed as minor, for example those currently used as stores, are not included within the scope of this report.

## **REPORT**

11. A summary of the position regarding the significant buildings is shown below. Previous/current uses where relevant are shown in brackets.

### Capelrig House (storage)

12. Capelrig House has practical restrictions on its usage due to its location within the campus of a secondary school. It is also a listed building. For this reason limited uses are available without being seen to compromise school security. Extensive discussions have taken place with potentially suitable tenants such as the scouts and the cadets but these have not proved fruitful. As yet a suitable tenant or purchaser has not been identified. Continued discussions to whether this building could be used by the Council are required.

### The McGuire Building (employability services)

13. The McGuire Building is a listed building and given its internal configuration is not attractive to many potential tenants or purchasers. However, a voluntary organisation has expressed an interest in renting the property, has submitted a business case demonstrating its ability to operate the building and as such a paper will shortly be presented to Cabinet recommending acceptance.

### Lowndes Street (HSCP and prior to that housing)

14. Lowndes Street was the previous Barrhead Burgh town hall and is a “common good” property. Common Good status is the result of a property being gifted to the Council for the benefit of the community. As a result of its common good status it cannot be simply demolished or sold without an application to the Court of Session to remove the common good status. It does not have listed building status. Consideration was given to utilising the site and/or building for social housing but this has not yet proved to be viable although this assessment may change.

15. Consideration was also given to developing the whole site including the current site of the Barrhead Police station. However Police Scotland have proved unable to conclude negotiations on this issue. Their long term intentions for this site are currently unclear.

### Dickie Building (HSCP)

16. The Dickie building has been marketed by Savills since December 2016. A variety of offers have been received but all were substantially below what ERC regard as being a suitable offer. The market for such properties is not currently strong but this may change in the future. Alternative uses for the property are therefore being explored.

Clarkston Social Work Office (HSCP)

17. Numerous negotiations have taken place over a number of years with the NHS with a view to selling this office in conjunction with the sale of the adjacent NHS building. These negotiations did not succeed as the NHS elected to pursue a solo sale.

18. Consideration was also given to converting the property for use as social housing but it was not possible to obtain clarification from the Scottish government as to whether subsidy would be available for this proposal. Subsequently NHS have reoccupied their previously vacant adjacent building and have expressed an interest in renting this property. Heads of Terms have therefore been issued to the NHS and a response is awaited.

Lygates (HSCP)

19. Graham & Sibbald have marketed this property since the spring of 2015. Despite a number of interests none of these have proved productive. Whilst in a desirable area the property has limited uses and is constrained by insufficient parking. The Council's current lease commenced in 2006 and expires in May 2021. Discussions have taken place with regard to an early termination of the lease but it was not possible to reach an agreement on a figure that would have been acceptable to the Council.

Spiersbridge (currently Environment Department)

20. This property was leased by the Council in 2007 following a decision by the Cabinet following the submission of a report by the Director of Central Services. The lease expires in 2026. The rationale for signing the lease was that the Council required additional accommodation. In addition this property provided an opportunity to assist with the regeneration of Thornliebank by utilising the Council as an anchor tenant and securing a European Regeneration Development Fund (ERDF) grant. Under the terms of the lease responsibility for internal decoration, furnishings and layout fall to the Council as tenant.

**PROPOSED ACTIONS**

21. The Council's historical approach to the use of office accommodation has been "departmental" and "service" led as opposed to being "corporate". Thus individual departments have made arrangements to meet their own accommodation needs often without taking into account the wider needs of the corporate body. Standards, space usage and quality varies hugely throughout the organisation.

22. In order to improve this the Corporate Management Team in 2017 agreed to adopt a corporate approach to office accommodation transferring all non-education building property budgets to the Environment Department from April 2019. This approach is called a "corporate landlord" approach. From that point onwards all spend on furniture, running costs, usage etc needs clear and transparent monitoring and management by the Environment Department.

23. The key components of a corporate landlord approach approved by the CMT included broadly: –

- A move away from a standard ratio of one desk per one employee (unless there is a specific business need for this to remain for particular services or sections within services). The report to the CMT pointed out that an exercise

would require to be undertaken prior to commencement for each affected service to determine staff profiles and ratios taking account of the Council's policies in relation to agile working.

- A move away from small clusters of staff in small offices towards open plan environments that can accommodate a minimum of 20 plus desks.
- Standardised desk sizes allocated according to pre-agreed criteria linked to the standardised procurement of office equipment.
- An increase in the number of social areas/ meeting rooms.
- The creation of quiet working spaces.
- Utilisation of modern technology to permit efficient, agile working. This will include (but is not restricted to) electronic document storage, lap tops, mobile phones, smart boards etc.
- A recognition of the need to provide staff with a good working environment with adequate welfare facilities.

24. In 2017 work was undertaken to develop options to be considered in developing an accommodation strategy detailing which properties it wishes to retain, what it wishes to dispose of and how it wishes to use them. This extensive work was commissioned to advise and inform the Director of Environment and the CMT in the development of a strategy prior to any recommendations being formulated.

25. As part of the assessment of the accommodation undertaken in 2017 it was concluded that the property at Spiersbridge required investment in order to permit more effective agile modern ways of working with particular concerns being insufficient welfare facilities, ineffective usage of meeting space, inability to adequately utilise digital technology and inadequate lighting. In this regard £232K was spent in 2018 on structural refurbishments of the ground floor with a further £110K spent on moveable furnishings.

26. In August 2018 it was reported to the Audit and Scrutiny Committee that work on the accommodation strategy would be taken forward in 2019 as early learning provision and the leisure centre were the current priorities.

27. In addition a report by the Director of Environment on options for an accommodation strategy was submitted to the Council on 31 October 2018.

28. The report advised that consultants had been commissioned to prepare a Property Management/Accommodation Strategy and action plan for 42 corporate buildings (excluding Education and the Leisure Trust).

29. The report further advised that the consultant's report provides the Council with options for its office accommodation needs in 2020 and beyond. This takes into account the future size of departments, how they will be working in a more agile way and how technology will impact on the need for property. The consultant's report also provides, through property scorecards, detailed running costs along with recommendations for all other properties in terms of disposal, investment and alternative uses.

30. The Director of Environment's report concluded that the priorities for his Department in the immediate future were the delivery of the early year's programme, leisure centre proposals for the Eastwood area and addressing the emerging education requirements in relation to LDP2.

31. The report was for noting and was brought to the Council prior to the Director being in a position to make a recommendation.

32. Paragraph 17 of the report advised;

"However, given the review of the educational requirements undertaken as part of the development of the LDP2 and the feasibility study regarding the future of the Eastwood Leisure centre, it is important that Council is sighted on the option for a change to the office accommodation used by the Council. In particular any masterplanning of the Eastwood Park which is taken forward as part of the options appraisal for the Eastwood Leisure Centre should take into consideration the option of the demolition of the HQ to ensure that the fullest possible range of options are considered".

33. The Council noted the consultant's report and their recommendations and that the Director of Environment will be considering all the issues and reporting back to the Council during 2019/20 regarding formal approval of an accommodation strategy.

## **RECOMMENDATION**

34. It is recommended that the Committee considers the report.

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](mailto:phil.daws@eastrenfrewshire.gov.uk)

BLANK PAGE

**APPENDIX ONE**

- 1574 Barrhead Community Museum
- 1726 Boathouse - Rouken Glen Park
- 1716 Bonnyton House
- 2024 East Renfrewshire Council Offices Burnfield Avenue
- 1539 Capelrig House
- 1538 Council Offices (Former Housing Offices)
- 1534 Council Offices Main Street Barrhead
- 1731 Cowan Park Bandstand
- 1732 Cowan Park Lodge
- 1733 Cowan Park Pavilion
- 1724 Eaglesham Cemetery Office
- 1734 Eaglesham Pavilion
- 1773 East Renfrewshire Council Offices
- 1531 Eastwood Park Garage/Stable Block
- 1639 Greenhags - Transfer Station
- 1735 Huntly Pavilion
- 1529 James Maguire Community Centre
- 1977 CHCP Mental Health
- 1736 Kingston Pavilion
- 1532 Lodge 6 Eastwood Park
- 2025 Lygates
- 1744 Mearns Castle Sports Pavilion
- 1725 Neilston Cemetery - Former Lodge House
- 2029 Office Pavilion 2
- 2014 Overlee House
- 2015 Overlee Lodge
- 1558 Overlee Pavilion 1
- 1727 Rouken Glen Boat House Public Convenience
- 1728 Rouken Glen Park Picnic Pavilion

- 1527 St Andrew's House
- 2033 The Barrhead Centre
- 1721 Thornliebank Resource Centre
- 2007 Wardens Lodge Overlee Park
- 1750 Woodfarm Sports Pavilion & Car Park
- 2052 Barrhead Health Centre ERC element
- 2 Eastwood Health and Care ERC element
- 999 Johnny Kelly Sports Pavilion
- 2047 Whitlee Warden's Hut