

To: Infrastructure, Land and Environment Policy Board

On: 26 May 2023

Report by: Director of Environment, Housing & Infrastructure

Heading: Renfrewshire Council – Strategic Property Review

1. Summary

1.1 In 2022, Renfrewshire Council commenced a Strategic Property Review (SPR). The objectives of the review are to assess the size of and shape of the Council's property estate, to provide a modern property estate that meets the current and future requirements to:

- Support learning,
- Support Service delivery outcomes,
- Support community needs,
- Reduce its carbon footprint (including energy consumption),
- Have a financially sustainable property portfolio to investment and maintain.

1.2 The review will identify, assess and propose options to rationalise the Council's property holdings and portfolio, to have a property estate of high quality that meets the current and future needs of services and communities, through optimum utilisation of the buildings. The school estate is clearly core property, present in every community and will form a key part of the future property model given their critical importance to communities and for learning.

1.3 The way our properties are used by services in the delivery of outcomes and by communities has changed significantly over the years. Our ways of working, current and future service delivery models and community demands for Council facilities has taken a step change in practice, habits and behaviours post COVID 19 pandemic, resulting in an associated lower demand for workspace, community usage etc. Collectively this leaves the Council with underused buildings no longer fit for their original purpose to meet service, workforce and community requirements and

demands. The review provides an opportunity to embed new ways of working and the role property will play in service delivery which matches the needs of both our workforce, service users and communities.

- 1.4 The review includes a presumption against leasing buildings wherever possible, and an intention to exit from current leases and rationalise the Council estate to maximise key properties. It also includes a presumption in favour of re-purposing buildings where advantageous and co-locating services or facilities where likely to be beneficial to both service users and providers.
- 1.5 This paper sets the proposed key principles that the strategic property review will be undertaken to guide discussion and support decision making:

Principles

- Council has a modern, good quality operational and community property portfolio that meets the needs of services and communities that we can sustainably maintain and invest in.
- Support reducing the carbon footprint across our sustainable property portfolio.
- Ensure there is access to good quality community facilities in all communities
- For property and land assets declared surplus, there will be regeneration plans to support the closure and development of the property asset and associated land.
- Develop a New School Asset Management Plan that looks at the replacement /refurbishment needs of schools for the next 20 years.
- Exit where possible from external leases.
- Council 'family partners' pay their fair share of property costs

2. Recommendations

It is recommended that members of the Infrastructure, Land and Environment Policy Board:

- 2.1 Notes the update detailed within this report and agrees the principles in which the review will be taken forward as set out in paragraph 1.5 above

3. Background

- 3.1 The Strategic Property Review began in 2022 with an exercise to categorise and assess the existing portfolio of buildings owned or leased by Council. This includes operational, currently unused and surplus properties.

- 3.2 The scope of the Strategic Property Review has been broken down into two strands:
- Community & Operational Assets and
 - Commercial Assets
- 3.3 There are 236 community or operational property assets. This covers Schools, Civic buildings such as Town Halls, Operational buildings to deliver services (including Housing, One Ren & HSCP), Welfare facilities, Waste, Leisure, Cultural and Community Halls
- 3.4 The Commercial portfolio of Assets consists of around 60 x Industrial Units, 175 x Retail Units and 145 x Miscellaneous Sites (including land).
- 3.5 The initial focus has been on the community and operational strand. The total operating cost of our operational and community property is £15.3M annually, utilities cost account for around 40% of the spend, rates account for around 1/3 of the spend with the majority of the remaining costs spent on compliance, insurance, maintenance, and rental costs.
- 3.6 Council faces challenges in efficiently maintaining its current operational and community property portfolio: Rising staff and utility costs, statutory compliance, repair and maintenance requirements, as well as legislative requirements on properties, including Net Zero strategies for improving energy efficiency of the estate as a whole.
- 3.7 The Council has a 'wind and watertight' maintenance policy for its community and operational portfolio, whereby maintenance is carried out at the minimum level required to keep the building intact and protected from the elements. This policy position has been in place for close to 15 years, resulting in little cosmetic spend, for example on paintwork, carpets etc. With increased construction costs, greater compliance obligations and additional maintenance requirements of new assets, such as the refurbished Cultural Assets and a passive-haus school, the review will look to established the financial costs to sustainably maintain the property estate going forward.
- 3.8 Similarly, capital allocations are not currently sufficient to keep pace with the backlog of capital and lifecycle maintenance work. As set out later in the paper, condition surveys of our school estate and a number community and operational property will be undertaken over the course of the next year, including determining opportunities to improve the energy efficiency of properties. It is likely that the outcomes from these surveys will require capital investment costs to meet the life cycle requirements and energy efficiency targets as part of Council's Net Zero strategy.

4. Strategic Property Review

Phase 1

- 4.1 As part of Phase 1 of the Strategic Property Review, Officers undertook (and continue to undertake) a review of the following parts of the portfolio:

- External leases to exit and consolidate
- Renfrewshire partners property cost allocations: HSCP, HRA & One Ren properties
- Community and Self-Managed halls

External leases

- 4.2 Work has been undertaken to understand what externally leased properties the Council has and to seek where services can exit from the lease and consolidate within other Council-owned properties. At this point in the review, externally leased properties will be exited from when the leases expire over the next 2-3 years. Remove Renfrewshire Council from leases generating savings of around £600,000 over the next 5 years.
- 4.3 It is intended that, on exit from Abbey House, Social Work, Criminal Justice, HSCP and Children's Services staff will relocate to Renfrewshire House. Work is underway to determine the space and service requirements.

Community Halls

- 4.4 The review is currently gathering and examining information indicating the usage, condition and future investment requirements of the Community Hall portfolio.
- 4.5 The majority of community halls are run as community centres, available for public use, usually through a hire fee. Council provides caretaking staff to manage the buildings while meeting cleaning, maintenance and utility costs.
- 4.6 From the lifecycle and condition analysis held, a number of community halls require significant investment in their fabric and facilities in order to bring them up to an appropriate standard. Condition surveys are being carried out through 2023 to give a detailed position.
- 4.7 Work is also underway to understand provision of 3rd sector community spaces that are used within communities such as church and scout halls. Facilities such as these play an important role in many communities as community spaces. Appendix 1 sets out the community facilities including schools/Community Centres and Self Managed Halls identified so far within each community, this will be added as we continue with the review.

Self-Managed Halls

- 4.8 As part of the Strategic Property Review, Officers are working closely with colleagues in OneRen to understand the operation of Self-Managed Halls.
- 4.9 The self-managed hall contracts were put in place many years ago, before Community Empowerment legislation brought in the option of community asset transfer. Whilst self-managed by community volunteers and overseen by OneRen, Renfrewshire Council still undertakes cleaning, caretaking, repairs and maintenance for most self-managed halls. Costs, including utility costs, are not met by self-managed halls themselves but rather they are paid by OneRen and the Council. Any

income generated lets are kept by the self managed hall committees. In summary the Council pays all the property costs and the income generated is held by the self-managed hall committees. Costs to Council and OneRen associated with self-managed halls were around £300k for the last year.

- 4.10 This model requires to be reviewed and to that end, work is ongoing to meet with management committees to understand demand and usage at each facility.

Place-based/community property asset review – co-location

- 4.11 Work has begun to review the estate by geographical locations. Focussing on individual towns and villages across Renfrewshire, this will allow officers to consider service provision and requirements, capacity and demand within each locale for properties need in supporting service delivery, community space, sports and leisure facilities and so on. This analysis to support discussion and decisions of how services are best delivered and what property facilities are required in communities, villages and towns.
- 4.12 This approach will include office accommodation, such as Renfrewshire House. As other organisations look to rationalise their portfolios, opportunities may emerge for co-location of organisations and services within office space such as Renfrewshire House. As such, strategic discussions have been taking place with other organisations to understand their plans and the long-term viability of such options.
- 4.13 It is recognised that Renfrewshire Council requires to understand what a modern service looks like and what roles does a property play as part of this process. The Service and community needs are different, therefore the offer from Renfrewshire Council needs to be different.
- 4.14 The Council's response to the Covid-19 pandemic brought further investment in technology that allowed the adoption of 'working from home' for part of the working week as the default position for many Council employees. This change has reduced the capacity requirements of many of our offices and buildings used to deliver services. The review will look at opportunities to repurpose the building to ensure the most efficient use of the available space.

5. Property Condition Surveys

- 5.1 Every 5 years, Renfrewshire Council undertakes condition surveys of the school estate in order to understand their physical condition and any work needed to make good on disrepair. This allows for budget planning for preventative maintenance with a good indication of future costs.
- 5.2 Similar work is underway to undertake condition surveys on Community facilities, to gain a clear idea of future costs associated with each building and allow conclusions to be drawn around best value. This will assist in forming any rationale for change and future proposals as part of the Strategic Property Review.

- 5.3 Condition Surveys will help Officers understand the implications of a building's energy rating and the financial implications of bringing properties up to the appropriate level. Work will also be required to understand any issues with regards to fire prevention and protection within the properties.

Energy considerations and Net Zero

- 5.4 Renfrewshire Council declared a Climate Emergency in 2019, committing to work towards net zero by 2030. This approach recognises that 67% of Council's greenhouse gas emissions are associated with its property estate.
- 5.5 As previously detailed energy accounts for around 40% of the total costs associated with the operational and community estate. Any reduction in costs, through Council owning or operating fewer buildings, implies a reduction in Council emissions but does not necessarily represent a lowering of emissions in Renfrewshire as an area. The Council's approach to net zero recognises this difference.
- 5.6 The Council's approach to significantly reducing emissions from the property estate is reflected in the principles of this review and the approach to formulating proposals for the future purpose and use of its buildings. Refurbishing or repurposing buildings to improve efficiency and co-location with partner organisations are also reflective of the Net Zero Public Sector Buildings Standard (2021).
- 5.7 Work has also begun on undertaking a pilot at a school to understand the costs for making the property Net Zero rather than simply upgrading the fabric e.g., roof in a piecemeal fashion.
- 5.8 Energy and carbon reduction measure will be picked up as part of the condition surveys and a wider piece of work to identify opportunities to reduce energy consumption across the property estate and increase the use of renewables to and within properties.

6. Community Asset Transfer

- 6.1 Under the Community Empowerment (Scotland) Act 2015 there has been a right for community bodies to make requests to public bodies for property since 2017. Renfrewshire Council has dealt with a number of requests since that date and in 2022 formalised a policy and procedure for Community Asset Transfer (CAT).
- 6.2 Since mid-2021 there have been 2 completed Community Asset Transfers, 5 approved, 2 currently in process and 26 current enquiries and expressions of interest. The majority of enquiries have been for sports grounds and pavilions with land for growing grounds also of interest. Community centres are also beginning to attract some CAT interest.
- 6.3 The community Asset Transfer process will continue in parallel with this review with the CAT team working through the procedures for any applications that come in.

7. One Stop Shop for Property

- 7.1 As part of the Council's revised service and management arrangements, all strategic and property related matters have been brought together under the Head of Facilities Management and Property Services. For members and for communities it can often be a difficult landscape to navigate of whom to approach regarding a property related matter, for example approaching children's services regarding a school or One Ren regarding a community facility.
- 7.2 As an early decision of this review all property related queries should be directed to a single location, to ensure that communities and Elected Members have a central location when there are enquiries with regards to Renfrewshire Council properties. Whilst many different areas will have input into a property e.g. Hard FM/ Soft FM/ OneRen/ Street Scene/ Property Services/ Estates, having a central enquiry point will ensure this gets to the correct service to allow an appropriate response is made to members and communities. Where this crosses several services, a composite response should be drafted by the lead service. The central location will be propertyrequests@renfrewshire.gov.uk
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Implications of the Report

1. **Financial** – As part of financial sustainability, Renfrewshire Council requires to review the property portfolio to maximise efficiencies and reduce costs. The cost of condition surveys detailed in the report are being undertaken within existing budgets
2. **HR & Organisational Development** – None
3. **Community/Council Planning** – the report details a range of activities which reflect local community and council planning themes.
4. **Legal** – Where required, discussion will be taken with Legal Services in regards to land and property.
5. **Property/Assets** – Everything detailed within this paper relates to Renfrewshire Council property and assets, including the future requirements for the Council portfolio.
6. **Information Technology** – Colleagues from ICT will be kept abreast of any changes to property to allow changes and feed into wider strategies e.g., Wi-Fi.
7. **Equality & Human Rights** – The recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

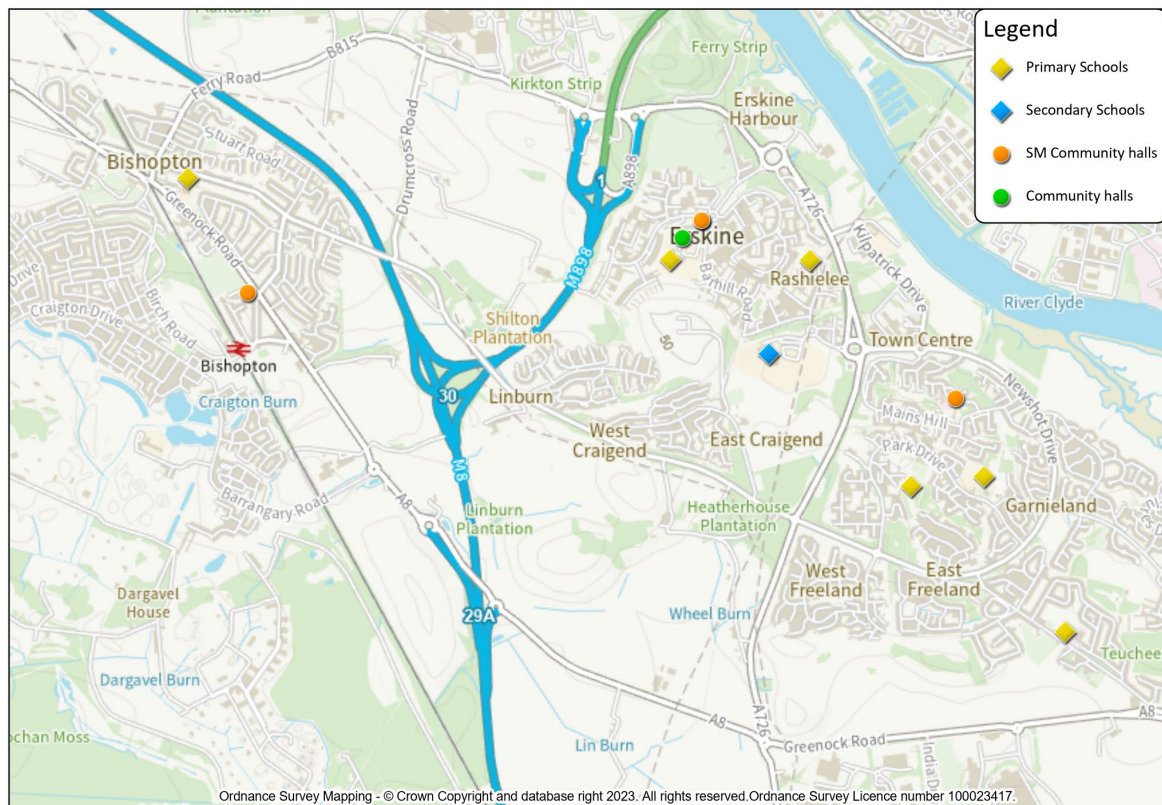
8. **Health & Safety** – Colleagues from Health and Safety are part of groups to ensure all legislation and guidance is being followed.
9. **Procurement** – Work is currently being undertaken to procure condition surveys for both Community Buildings and the educational establishment. Colleagues in Procurement are assisting with appropriate tender specifications/Scotland Excel Frameworks.
10. **Risk** – None
11. **Privacy Impact** – None
12. **COSLA Policy Position** – None
13. **Climate Risk** – The aspirations of the review seek to support a reduction in carbon emissions to assist Renfrewshire in striving to meet the Net Zero Targets.

List of Background Papers - None

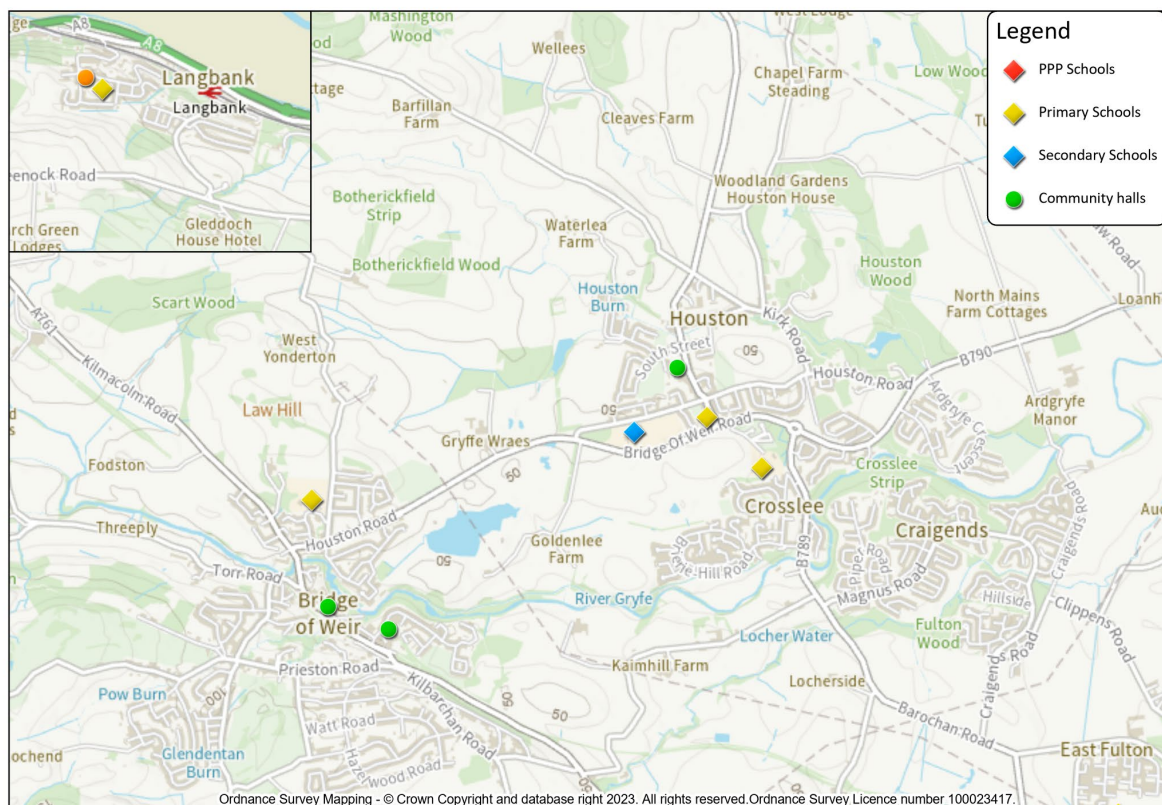
Author: Chris Dalrymple, Head of Facilities and Property Management

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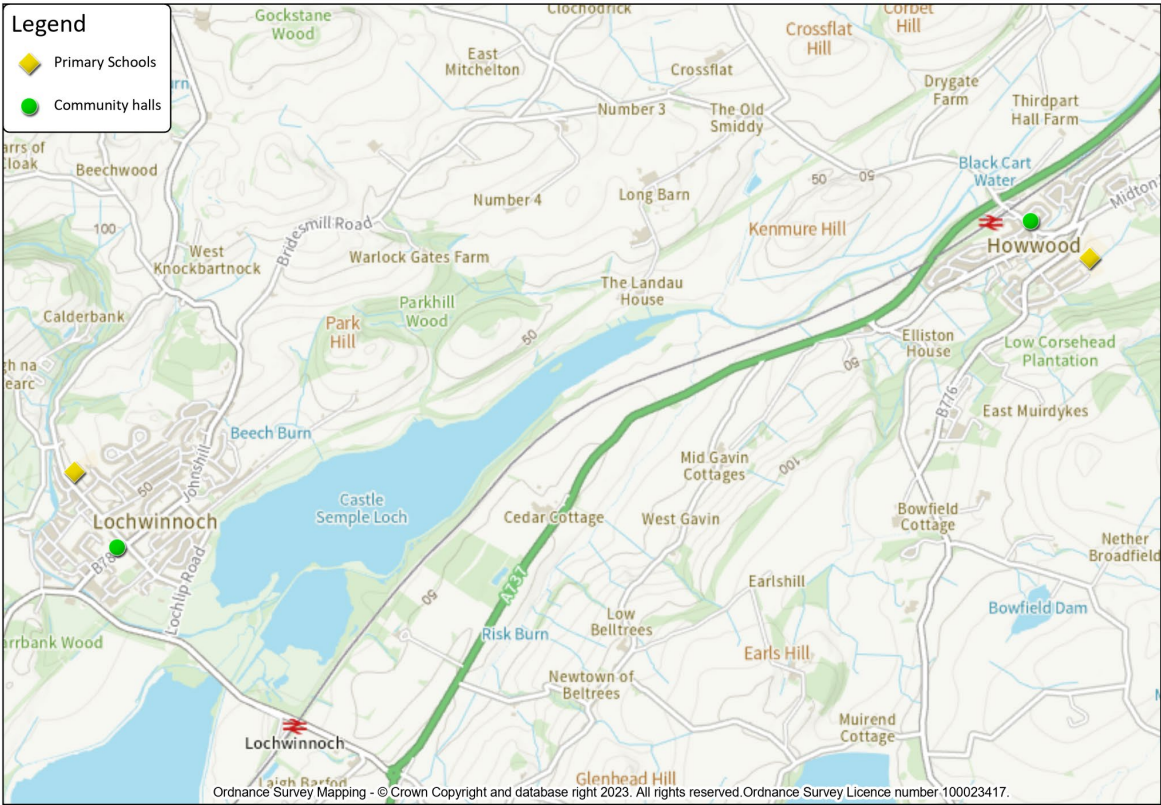
Appendix 1: Maps indicating local Community Halls, Self-Managed Halls and Schools Erskine and Bishopton



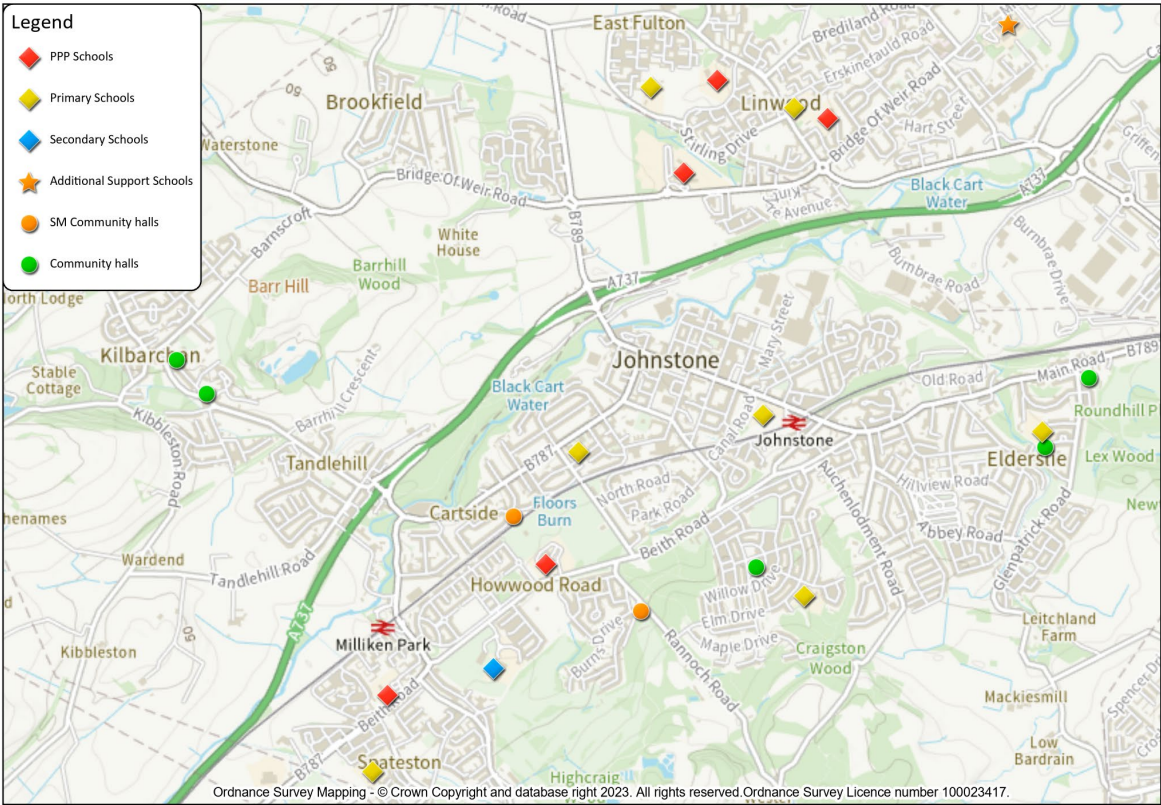
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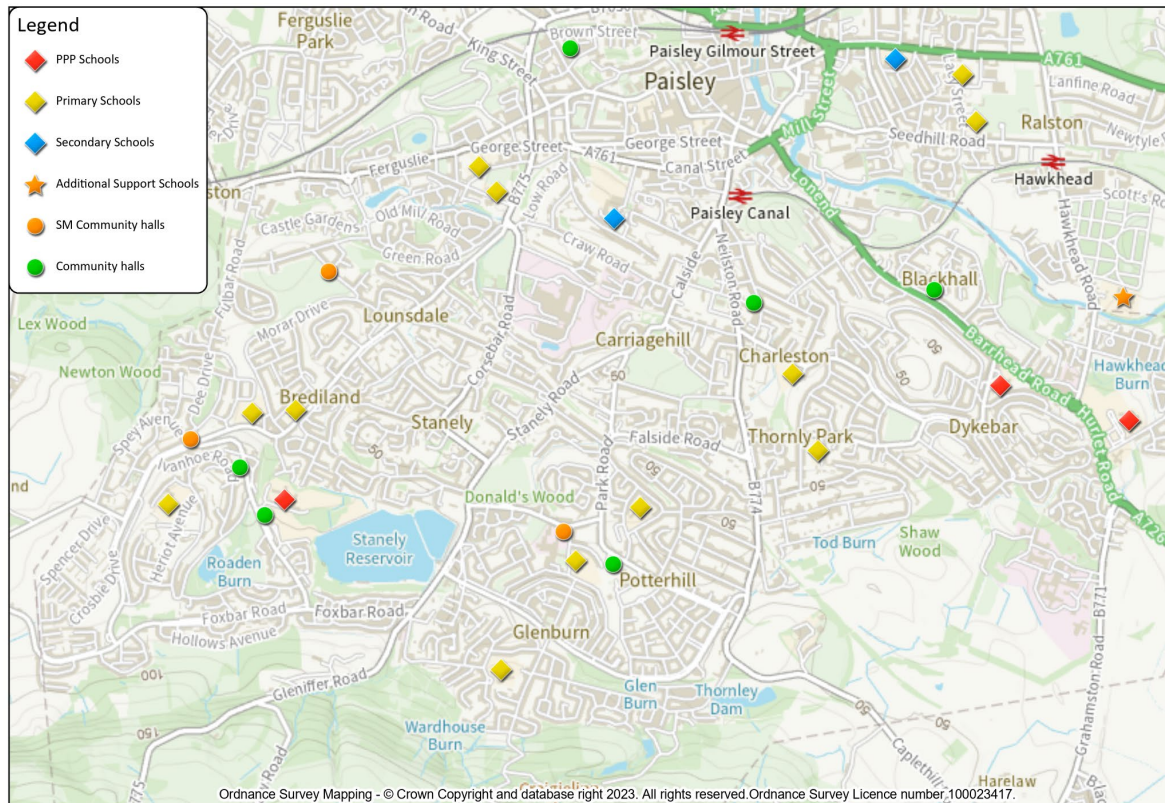
Lochwinnoch and Howwood



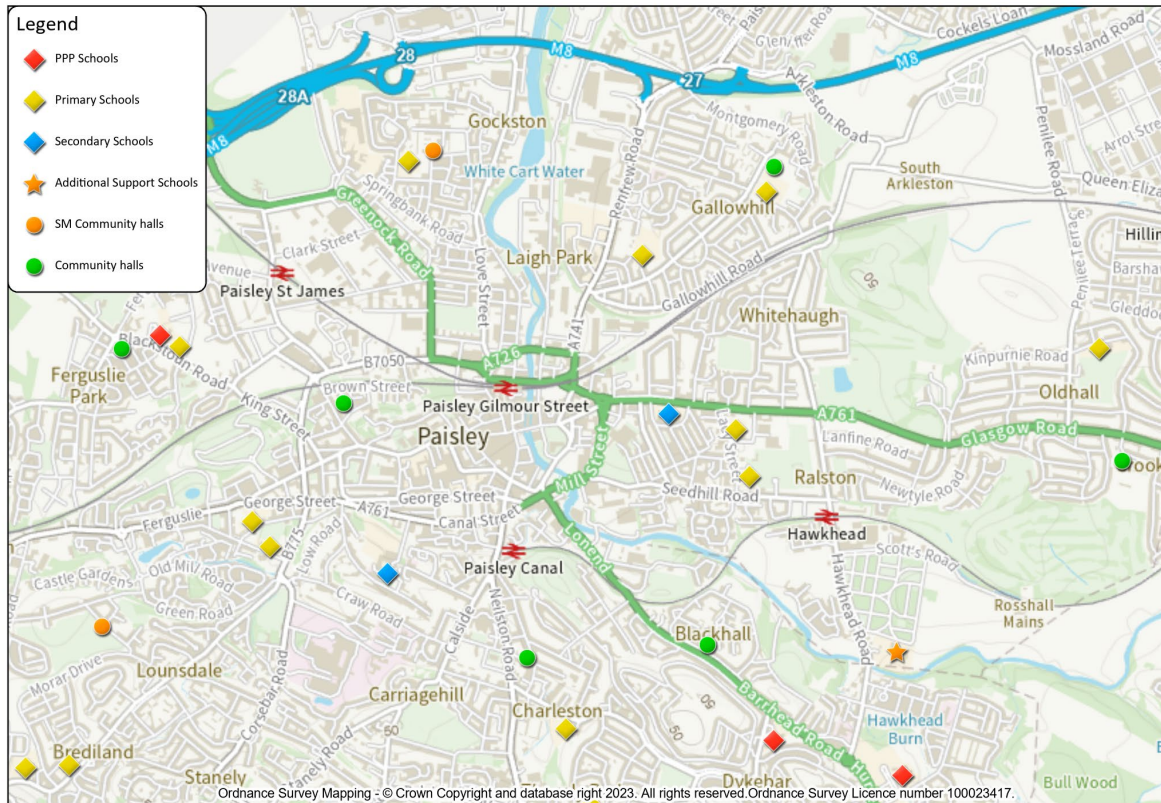
Linwood, Kilbarchan, Johnstone and Elderslie



Paisley South



Paisley North



Renfrew

