

The background of the slide features a large, light blue watermark of the City of Vancouver's coat of arms. The crest includes a crown at the top with four maple leaves, a shield divided into four quadrants (top-left: a ship, top-right: a stag, bottom-left: a ship, bottom-right: an eagle), and a banner at the bottom with the motto 'A NE FOR A'.

Agenda Item 6

Strategic Property Review – Review of Council Office Front Facing Offices

Falkirk Council

Title: Strategic Property Review – Review of Council Office Front Facing Offices
Meeting: Executive
Date: 14 August 2018
Submitted By: Director of Development Services

1. Purpose of Report

- 1.1. This report provides an update on the progress of work towards meeting the Council's requirements for 'front facing' offices and provides recommendations for progression.

2. Recommendations

- 2.1. It is recommended that the Executive agrees:-

- 1) the proposals to meet the Council's front facing office requirements as set out in Appendices 1 and 2 of this report;
- 2) the proposals for expenditure of £1.8m on a 'spend to save' basis to supply upgraded front facing accommodation at Carronbank House, Central Library, Brockville and Grangemouth Social Work Office, and
- 3) to extend the existing contract works being delivered by East Central Scotland Hub/Maxi Construction for upgrade work to proceed at Carronbank House.

3. Background

- 3.1. At its meeting of 15 May 2018 the Executive considered a report on the Council's office review, conducted as part of the Strategic Property Review, which outlined the Council's front facing, back office and HQ requirements. Consideration of these matters was continued to this meeting. This report deals with the Council's 'front facing' office accommodation (i.e. accommodation needed for provision of advice and support services for members of the public), and a base for front facing staff as previously approved by Executive.
- 3.2. The office review identified that the Council currently occupies a total floorspace in excess of 7000 sqm. Appendix 1 provides a detailed breakdown and demonstrates that the Council is "space rich" occupying property inefficiently - i.e. more than double (17sqm per FTE) the aspired occupancy standard of 8sqm per FTE. This in part is due to the age, condition and characteristics of the front facing portfolio.

- 3.3. As the Council moves to agile working for staff as part of its 'Council of the Future' initiative, it is intended that space requirements will reduce to meet its aspired occupancy standard. New service delivery models being progressed will enhance the customer experience, enabling access to a wider range of services from new locality hubs or outreach spokes in settlements, where there is demand. Customer service will improve by having access to multi skilled advisors who can deal with requirements holistically. However, without investment, the office portfolio will fail to deliver on the Council's aspiration to achieve agile ways of working for front facing staff.

4. Considerations

Front Facing Requirements

- 4.1. At its meeting in September 2017, the Executive agreed the locality hub model. In each locality, an Advice and Support Hub is being established with a mixture of multi skilled advisors and specialised staff. These will effectively be the front face for the Council in each locality. Hubs will have appropriate office and meeting spaces and facilities that more specialised staff may use as a touchdown or team base, when they are not out dealing with customers in the local area.
- 4.2. With the advice hub programme underway, the office review now proposes the following arrangement for front facing offices:-
- **East Locality Hub** – Grangemouth Advice Hub & Office, supplemented by the Grangemouth Social Work office to facilitate all Corporate & Housing, Children's and Adult Social Work services' east locality teams, with touch down space for visiting peripatetic staff
 - **West Locality Hub** – Carronbank House to be repurposed and intensified as an office to accommodate Corporate & Housing, Children's and Adult Social Work services' west locality teams, with touch down space for visiting peripatetic staff
 - **Central Locality Hub** – a joint service facility based at Falkirk Library with Falkirk Community Trust providing the advice hub, library and other services
- 4.3. The pilot Hub in the East at Grangemouth, with outreach in Bo'ness, has demonstrated that the model is working and that users are satisfied with their customer experience.
- 4.4. This approach leaves the following front facing properties as surplus to requirements to be sold or repurposed for other uses:-
- Kinglass Social Work Office (SWO) – possible repurposing for nursery usage
 - Stenhousemuir SWO – possible repurposing for nursery usage

- Stenhousemuir One-Stop-Shop – declare surplus for disposal
 - Bonnybridge Finance Office – the Executive agreed this property as surplus at its meeting of 28 November 2017 and it will be sold when the West Hub at Carronbank is operational
 - Dawson office (part of Dawson Centre) – possible community asset transfer
- 4.5. To supplement front facing activity outwith the Hubs, a series of outreach locations require to be created in each locality for settlement based staff teams. These would be within other Council (non-office) premises such as schools, libraries, community halls, sports centres or partner agencies premises, offering access to a pod of desks and suitable meeting space. These will be created dependent on service/customer demand and may require minor alterations to premises or investment in technology, as they are confirmed.
- 4.6. Adopting this approach allows the Council to reduce **from 11 front facing premises to 5**, investing in those most suitable. To intensify the usage there will require to be a degree of adaptation and remodelling in the retained properties, costing in the region of £1.8M (net). Appraisals suggest that, if the running costs of the closed buildings are ring fenced and diverted to the retained properties, the savings, along with disposal receipts can provide the budget for the necessary improvement and generate a small saving to the Council after the initial period. This means that the improvements can be funded as a “spend to save” project. Appendix 1 gives a summary of these proposals and Appendix 2 sets out the expenditure programme and anticipated revenue savings.
- Carronbank House West Hub and Locality Office Base
- 4.7. The creation of the West Hub at Carronbank House is being funded by an approved capital allocation in the general services capital programme for 2018/19 of £385K. The contract for these phase 1 works, and other improvements to the remaining ground floor offices, to accommodate 43 workstations was let in June (for an October 18 completion) via Hub East Central Ltd to Maxi Construction following a procurement process conducted under the territory partnering agreement.
- 4.8. Housing, Children’s Services and Adult Social Work Services/Health & Social Care Partnership have confirmed those front facing staff that they would wish to see accommodated within the West Locality and that the Carronbank building is needed as part of their service redesign. In order to enhance the building’s utilisation as an integrated facility and make it more suitable for agile working, it is proposed to adapt the first and second floors, providing an additional 70 workstations and to improve the energy performance, external parking and access to the building. It is proposed that this be funded on a spend to save basis from the £1.8M budget identified in para 4.6 above.
- 4.9. As the contractor is currently on site undertaking the phase 1 works to create the Hub, there is a clear benefit in extending the contract scope to include

the phase 2 office improvement works. This work will be certified externally by Hub East Central. It is anticipated to cost c£200k and will offer best value to the Council in terms of savings in procurement costs, in utilising existing site set up facilities and in timescales benefits. It is proposed that the contract to Maxi Construction is extended to enable this work to proceed. External works will be commissioned separately.

- 4.10. The lower ground floor at Carronbank House is currently utilised as an Elderly Day Unit and office for Adult Social Work Services. A review is on going as to how elderly day services will be delivered. Should further works be required at the building, these will be notified to Executive as a new capital investment project.

Other Front Facing Investment

- 4.11. It is proposed that the remainder of the £1.8M 'spend to save' funds for front facing buildings, be used to allow further upgrading of the Falkirk Library, including access improvements needed as part of the Central Hub project, along with improvements to Brockville and Grangemouth Social Work Office. Schemes will be produced and implemented to enhance and adapt these buildings to accommodate agile working. As a consequence it is anticipated that the programme of works to upgrade the Council's front-facing office accommodation will be completed within the next 3 years.

5. Consultation

- 5.1 Consultation has taken place via the Corporate Asset Management Group and with staff at Carronbank House via a Staff Working Group organised by the Council of the Future team, and service management teams. Discussions are undertaken with service users about the best locations and design of outreach facilities and these are planned to take place in Bonnybridge and Stenhousemuir.

6. Implications

Financial

- 6.1 Agreement from the Executive is sought for delivery of the programme of investment in front-facing office accommodation. The spend to save funding model outlined in para 4.6 proposes investments in this accommodation totalling £1.8m, to be funded from savings in the disposal/re-use of this accommodation (reducing from 11 office buildings to 5), with a net saving after 7 years of £18k.

Resources

- 6.2 This review and the implementation programme is being undertaken with existing staff resources.

Legal

- 6.3 The Director of Development Services and the Chief Governance officer will work with East Central Hub in the programme's delivery to ensure that any extensions to existing contract awards offer best value to the Council.

Risk

- 6.4 A risk matrix relating to the Council's asset management is reported to the Corporate Risk Management Group.

Equalities

- 6.5 Equality impact assessments will be produced as required.

Sustainability/Environmental Impact

- 6.6 All adaptation works will incorporate energy saving initiatives where possible. No impact assessments are required.

7. Conclusions

- 7.1 The existing front facing office portfolio is not fit for modern working or underpinning new service delivery models proposed under Council of the Future. By reducing the number of properties, increasing service delivery opportunities and diverting existing running costs/receipts from surplus assets, the Council can construct a spend to save model to allow investment in the buildings it wishes to retain.
- 7.2 This report sets out a series of projects to augment provision of the three locality Hubs to meet the Council's front facing office requirements on a spend to save basis.

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Appendices

Appendix 1- Front Facing Office Analysis per Locality

Appendix 2 – Front Facing Appraisal Summary

List of Background Papers:

No papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act 1973:

Front Facing Office Analysis per Locality - 2018

| Office Properties per Locality | Office Nos From Sept 17 (FTE) | Office Nos From Sept 17 (Staff) | Existing Workstations | Total Running Costs 16/17 £000s | Gross Internal Area (sq m) | GIA/FTE Ratio | SPR Recommendation | Front/Back/Specialist |
|--------------------------------------|-------------------------------|---------------------------------|-----------------------|---------------------------------|----------------------------|---------------|--------------------|-----------------------|
| Central | | | | | | | | |
| Brockville | 113 | 122 | 119 | 80 | 1896 | 17 | | F |
| Callander Square | 94 | 106 | 111 | 273 | 986 | 10 | | F/B |
| Dawson Centre(1/2 CC) | 6 | 6 | 12 | | 114 | 19 | | F |
| Falkirk Library | 15 | 32 | 20 | | | | | F |
| | | | | | | | | |
| West | | | | | | | | |
| Bonnybridge Finance Office | 2 | 2 | 2 | 17 | 33 | 17 | | F |
| Carronbank House (inc OSS, exc Heal | 53 | 60 | 89 | 210 | 1691 | 32 | | F/B |
| Stenhousemuir SWO | 19 | 22 | 24 | 23 | 379 | 20 | | F |
| Stenhousemuir OSS | 21 | 21 | 21 | 23 | 357 | 17 | | F |
| | | | | | | | | |
| East | | | | | | | | |
| Kinglass SWO, Bo'ness (1/2 premises | 34 | 41 | 39 | 50 | 313 | 9 | | F |
| Grangemouth SWO | 44 | 51 | 66 | 12 | 878 | 20 | | F |
| G/mouth OSS & Office | 40 | 45 | 60 | 33 | 636 | 16 | | F |
| | | | | | | | | |
| Total | 441 | 508 | 563 | 721 | 7283 | 17 | | |
| SPR Recommendation Categories | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

Front Facing Office/Advice Hubs

Investment Programme

| | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | TOTAL |
|---|---------|---------|---------|---------|---------|---------|---------|---------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Capital Expenditure | | | | | | | | |
| Carronbank Ph. 2 | 500 | | | | | | | |
| Central Hub/Falkirk Library | 250 | | | | | | | |
| Grangemouth Social Work Office improvements | | 500 | | | | | | |
| Brockville improvements | | 500 | | | | | | |
| Fixed Furniture & Equipment (FFE) works for agile working | 100 | 100 | | | | | | |
| Total Exp. | 850 | 1,100 | | | | | | 1,950 |
| Capital Receipts | | | | 150 | | | | 150 |
| Net Capital Exp. | | | | | | | | 1,800 |
| Revenue | | | | | | | | |
| Total Existing Revenue Budget (all 11 offices) | | (151) | (282) | (282) | (282) | (282) | (282) | (1,861) |
| One off Revenue Costs | 60 | 75 | 25 | | | | | 160 |
| Net Revenue Savings Available | 60 | (76) | (257) | (282) | (282) | (282) | (212) | (1,401) |
| Loan Charges | | 104 | 140 | 140 | 140 | 140 | 140 | 804 |
| Annual Running Costs | 18 | 82 | 96 | 96 | 96 | 96 | 96 | 579 |
| Net Revenue Cost (Savings) | 78 | 110 | (21) | (46) | (46) | (46) | (46) | (18) |