

## **FC68. Strategic Property Review Stage 1 Report**

Council considered a report by the Director of Development Services presenting an update on the first stage of a Strategic Property Review and setting out the next steps.

The Executive had on 17 May 2016 (ref EX15) agreed to appoint Hub East Central Scotland (HubCo) to progress a Strategic Property Review. The review was intended to identify those properties which should be maintained by Council as a base for service delivery and those which should be identified as surplus assets.

The review had concluded that the Council has too many assets, many of which were underutilised and poorly performing. A substantial rationalisation of the property estate was proposed and a corporate approach to rationalise and modernise it was set out.

An assessment of the overall property performance of each asset had been undertaken. This ranked each property and highlighted those which could be targeted for closure and disposal.

The review also addressed Council's office accommodation which includes 28 offices in 10 geographic locations over 31,000m<sup>2</sup> of floorspace. Approximately 14,000m<sup>2</sup> (45%) would be surplus should the Council adopt an area based locality hub approach to its office provision, i.e. hubs in Grangemouth, Denny and Falkirk.

In regard to Falkirk, any solution was linked to determination of the Council's headquarters requirements. Council had, on 11 May 2016 (ref FC7), agreed to continue consideration of proposals for its headquarters facility.

Nonetheless, HubCo had undertaken a condition survey of the Municipal Buildings complex and reported on the works necessary to address backlog maintenance requirements and options for upgrade to increase utilisation in the short term.

HubCo estimated that it would cost c £5.6m to bring the building to an acceptable standard (termed category B) and c £15.75m to upgrade to modern standards but with no enhancement (category A). It was proposed that HubCo be commissioned, at a maximum cost of £100k, to provide an appraisal of the headquarters and arts centre facility in regard to refurbishment, redesign or relocation.

The report also highlighted interest from the private sector in the headquarters project. Should Council wish to consider the options, which included regeneration of parts of the town centre, it would need to confirm its specification for the assets together with the likely financial and asset contributions available and identify the regeneration and other benefits it would anticipate. Should Council wish to pursue these interests further it would be necessary to comply with national and European guidance on procurement.

The report also provided an update of the work currently being undertaken to review the locality model, the Council's specialist facilities and the school estate as well as an overview of community asset transfer entitlement, together with the next steps for each.

Councillor D Goldie, seconded by Baillie Paterson, moved that Council agrees:-

- (1) the principles set out for a corporate approach to the implementation of the Strategic Property Review, set out in para 4.4 of the report;
- (2) in principle to the suggested Locality Model attached at appendix 1 to the report as a basis for further review of the property portfolio in relation to service needs;
- (3) the next phase of work on the review to implement the Asset Rationalisation Programme contained the report;
- (4) that, following consideration of budget proposals in February 2017, a list of properties is prepared for declaration as surplus and authorisation for disposal in 2017/18;
- (5) that further work is initiated on an options appraisal for the Council headquarters project at a maximum cost of £100,000, to include:-
  - (i) assessment of the refurbishment options for the Municipal Buildings, Falkirk;
  - (ii) assessment of the redesign of the new build headquarters project at the Municipal Buildings site to include provision of an arts centre; and
  - (iii) the commissioning of a procurement exercise for alternative site options, reporting on the outcome of this work in 2017.
- (6) that a programme of interim arrangements be prepared for the office portfolio pending the results of the options appraisal;
- (7) that a further report on the outcome of the next stages of work on the Strategic Property Review be provided to the Council during 2017; and
- (8) that there will be no closures without the fullest consultation with all parties involved in a Working Group.

Councillor Meiklejohn, seconded by Councillor Coleman, moved the terms of the motion with the following adjustments:-

- (4) insert "which will include options for lease as part of the broader business portfolio";
- (5) delete sub-clauses (ii) and (iii); and

(6) replace with “requests more information on the interim arrangements following the options appraisals”.

Council then adjourned at 1.50 p.m. to allow members of the Administration to consider the proposed adjustments and reconvened at 2.30 p.m. with members present as per the sederunt, with the exception of Baillie Buchanan who had left the meeting during the adjournment for lunch.

Upon resumption, Councillor D Goldie confirmed that his motion did not extend to community halls which were being dealt with under a separate process, conform to previous decisions of Council.

Councillor D Goldie, with the consent of the Provost and Baillie Paterson, as his seconder, agreed to change the terms of his motion to include the proposed adjustments to clauses (4) and (6).

In regard to clause (5) the deletion of clause (ii) was accepted, however the deletion of clause (iii) was not.

With general agreement on clauses (1)–(4) and (6)–(8), Council then discussed the motion and amendment in regard to clause (5).

Councillor G Goldie left the meeting during the discussion.

Councillor Alexander gave notice of a further amendment.

Council then voted on the motion, as adjusted, and the amendment which was to delete clause (5) (iii) of the motion.

In terms of Standing Order 22.4(i), the vote was taken by roll call, there being 29 members present with voting as undernoted:-

For the motion (15) – Provost Reid; Depute Provost Patrick; Baillie Paterson; Councillors Black, Blackwood, D Goldie, Gow, MacDonald, McLuckie, Mahoney, C Martin, Dr C R Martin, Murray, Nicol and Nimmo.

For the amendment (14) – Councillors Alexander, Balfour, Bird, Carleschi, Chalmers, Coleman, Garner, Hughes, McCabe, Meiklejohn, Oliver, Ritchie, Spears and Turner.

The adjusted motion was carried.

Councillor Alexander, seconded by Councillor Meiklejohn, moved the terms of the adjusted motion with clause 5(ii) replaced by:-

- 5(ii) that the working group will meet as soon as possible to discuss the alternative town centre options referred to by Councillor D Goldie and to report back to a special meeting of Council or the next scheduled meeting as appropriate.

Following discussion, Councillor D Goldie, with the consent of the Provost and Baillie Paterson, as his seconder accepted the amendment and agreed to adjust the motion accordingly.

## **Decision**

### **Council agreed:-**

- (1) the principles set out for a corporate approach to the implementation of the Strategic Property Review, set out in para 4.4 of the report;**
- (2) in principle to the suggested Locality Model attached at appendix 1 to the report as a basis for further review of the property portfolio in relation to service needs;**
- (3) the next phase of work on the review to implement the Asset Rationalisation Programme contained the report;**
- (4) that, following consideration of budget proposals in February 2017, a list of properties is prepared for declaration as surplus and authorisation for disposal in 2017/18 which will include options for lease as part of the broader business portfolio;**
- (5) that further work is initiated on an options appraisal for the Council headquarters project at a maximum cost of £100,000, to include:-**
  - (i) assessment of the refurbishment options for the Municipal Buildings, Falkirk; and**
  - (ii) that a working group will meet as soon as possible to discuss the alternative town centre options referred to by Councillor D Goldie and to report back to a special meeting of Council or the next scheduled meeting as appropriate.**
- (6) requests more information on the interim arrangements following the options appraisals;**
- (7) that a further report on the outcome of the next stages of work on the Strategic Property Review be provided to the Council during 2017; and**
- (8) that there will be no closures without the fullest consultation with all parties involved in a Working Group.**