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<b>Report To:</b>	<b>Regeneration Committee</b>	<b>Date:</b>	<b>20 January 2011</b>
<b>Report By:</b>	<b>Corporate Director Regeneration and Environment</b>	<b>Report No:</b>	<b>R183/11/AF/AG</b>
<b>Contact Officer:</b>	<b>Andrew Gerrard</b>	<b>Contact No:</b>	<b>01475 712456</b>
<b>Subject:</b>	<b>Office Rationalisation Update</b>		

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## **1.0 PURPOSE**

- 1.1 Following approval of the proposals for Office Rationalisation at the meeting of the Policy & Resources Committee on 21<sup>st</sup> September 2010 this report provides Committee with an update on progress and seeks approval to progress projects to tender.

## **2.0 SUMMARY**

- 2.1 A report to Policy & Resources Committee on 21st September 2010 on the Office Rationalisation proposals was approved. Proposals for the Customer Centre had previously been approved. It is proposed that a report will be submitted to the Policy & Resources Committee updating progress on the Office Rationalisation programme.
- 2.2 Three properties will become surplus to the Council's requirements for office accommodation and approval is sought to issue tenders for demolition works.

## **3.0 RECOMMENDATION**

- 3.1 Committee is asked to note the contents of this report.
- 3.2 Committee is asked to declare the Nicol Street SWO surplus to the Council's requirements.
- 3.3 Committee is asked to approve the issue of tender documents for the Alterations Work to the Business Store to accommodate the Library and for demolition of Wellington Academy, Highholm Centre/Former Primary School and Nicol Street Social Work Office and grant delegated authority to accept the recommended tenders.
- 3.4 Committee is asked to approve the lease of a Factory unit for a period of three years at a rental of circa £25,000 per annum, with running costs of £20,000 per annum.

**Aubrey Fawcett**  
**Corporate Director**  
**Regeneration and Environment**

#### **4.0 STEERING GROUP**

- 4.1 A Steering Group has been set up to manage the Office Rationalisation programme. Services will be represented at Head of Service level. The group will meet bimonthly and held its first meeting on the 13<sup>th</sup> December. Sub Groups will be set up for more detailed management of each contract.

#### **5.0 CUSTOMER CENTRE**

- 5.1 The contract for the Enabling works has been accepted and work is underway. The main elements of the works are to provide staff/member access to the building from the carriageway, including a lift to the first floor and asbestos removal works. The ground floor of the Municipal Buildings has been vacated with the exception of the main reception. It is proposed that the main reception will close on the 18<sup>th</sup> February 2011 and will transfer to the Customer Centre at Wallace Place.
- 5.2 The tenders for the main Customer Centre have been issued and will have been returned by the date of the Committee. A verbal update will be given to the Committee on the latest position.
- 5.3 The formation of the new Customer Centre will result in considerable disruption to the Municipal Buildings, involving as it does refurbishment of the entire ground floor. Staff and members will access the building from the carriageway entrance however visitors will require to go in the first instance to the Customer Centre in the Wallace Place office. A sub group has been set up to organise the temporary arrangements and to co-ordinate publicity for staff, members and the public. This is due for completion in December 2011.

#### **6.0 MUNICIPAL BUILDINGS FAÇADE RETENTION**

- 6.1 Tenders have been received for this work and work is expected to commence on site in January.

#### **7.0 LIBRARY TO BUSINESS STORE**

- 7.1 Design work is progressing for this project which will see the Central Library relocated to the Business Store. This will be a temporary move, with the Library moving to Wallace Place in 2013. The core staff of the Business Store will continue to be located there. It is anticipated that the relocation will take place in July/August 2011 following completion of alterations works.

#### **8.0 CENTRAL LIBRARY TO OFFICES**

- 8.1 Design work is progressing for this project which will see the Central Library converted to offices.

#### **9.0 OTHER OFFICE ACCOMMODATION PROJECTS**

- 9.1 Work has not yet commenced on the other Office projects, being work to the Greenock Municipal Buildings, Gourock Municipal Buildings, Port Glasgow Hub Office, West Stewart Street Office, Business Store return to Office Accommodation and Wallace Place Library/Offices. Reports will be brought forward in due course for these projects.

#### **10.0 CHCP ACCOMMODATION**

- 10.1 The formation of the Community Health & Care Partnership requires Social Work staff and Health Board staff to come together in shared accommodation. Cathcart Centre, Crown House and the Wellpark Centre are examples of this. Premises are now available at Ravenscraig Hospital to provide accommodation for Office staff. This will bring reduced property costs to both the Council and the Health Board and will enable better and more efficient working for CHCP staff. It will enable the Health Board to vacate Roxburgh House

and the Council to vacate Strone, Nicol Street and Belville Street Social Work Offices.

- 10.2 Arrangements are in place for the relocations to take place in January/February following minor building alterations and ICT connections being put in place.

## **11.0 HIGHHOLM CENTRE**

11.1 The Council Accommodation vacated by Social Work as a result of the changes detailed in 10.1 above gives an opportunity to move Council Staff out of the Highholm Centre. This property incurs high costs and is inefficient given that the part of the building which housed the Primary School is unoccupied. It has been the intention to vacate the building however no suitable alternative accommodation was available. The availability of the Social Work Accommodation makes it possible to now vacate Highholm.

11.2 It is proposed that The Community Learning and Development staff will move to the Strone Office and the Psychological Services staff will move to the Belville Street Office. The Offices are in reasonable condition however will be repainted internally and any necessary repairs carried out. There are two external bodies currently utilising Highholm, Enterprise Childcare and Barnardo's. The Property Assets team are actively pursuing alternative accommodation for them.

11.3 It is proposed to demolish the Highholm Centre as soon as practical after its closure. This will minimise costs and the risk of vandalism. No decision has been taken on the future use of the site and it is not intended to declare it surplus at present. Permission is sought to issue tenders and for delegated authority to accept the recommended tender.

11.4 It is proposed to demolish the Nicol Street office as soon as practical after its closure. This will minimise costs and the risk of vandalism. As the Council has no use for the site it is proposed to declare it surplus and dispose of it when market conditions are appropriate.

## **12.0 WELLINGTON ACADEMY**

12.1 The former Wellington Academy building is currently used as accommodation for Notre Dame High School who will move to their new building in June 2011. It was previously planned to refurbish the building to provide office accommodation. The decision taken by the Policy & Resources Committee at its meeting on 21<sup>st</sup> September 2010 means that the building is no longer required. It is proposed to demolish the former Wellington Academy building as soon as practical after it is vacated by Notre Dame. This will minimise costs and the risk of vandalism. The site was declared surplus at the 21<sup>st</sup> September 2010 meeting of the Policy and Resources Committee. The blaes pitch on Wellington Street will be retained as a site for community use.

## **13.0 STORAGE FACILITY**

13.1 As a result of office rationalisation and the school estate programme surplus furniture will be generated which will require storage until it can be reused. There will also be a requirement to store resources while properties are being refurbished. In particular there is a requirement to store books from the central library which cannot be accommodated in the temporary facility at the business store.

13.2 A search of properties within the Council's ownership has not identified any property which would be suitable. Available warehouses/depots are either too small or are in a poor condition and would require substantial investment to bring to an appropriate condition.

13.3 A search of properties available in the area has identified a suitable warehouse unit which is of the appropriate size and which can be leased for a three year period for a cost of £25,000 per annum. Approval is sought to enter into this lease.

## **14.0 IMPLICATIONS**

#### 14.1 Financial Implications – One off Costs

Cost Centre	Budget Heading	Budget Year	Proposed spend This Report	Virement From	Other Comments
Regeneration	Strone Office Decoration	2010/11	£5,000		All these costs will be contained within the AMP Funding Model.
Regeneration	Belville St SWO Decoration	2010/11	£5,000		
Regeneration	Removals & Decants	2010/11	£20,000		
Regeneration	Highholm Demolition	2011/12	£350,000		
Regeneration	Nicol St Demolition	2011/12	£30,000		
Regeneration	Kirn House Refurb	2010/11	£26,000		

#### Financial Implications – Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From	Other Comments
Property Costs	Highholm Nicol Street Kirn House	1/4/2011 1/4/2011 1/4/2011	(£190,000) (£9,500) £12,500 <u>(£187,000)</u>		£67,000 of this saving has already been taken in the 2010/11 budget.
AMP Funding Model	Storage Facility	1/4/2011	£45,000		this cost will be contained within the AMP Funding Model.

#### 15.0 CONSULTATION

15.1 The Chief Financial Officer has been consulted and is in agreement with the proposals.

15.2 There are no Legal implications and therefore the Head of Legal and Democratic Services has not been consulted.

15.3 There are no HR implications and therefore the Head of Organisational Development, HR and Performance has not been consulted.

#### 16.0 LIST OF BACKGROUND PAPERS

16.1 None.