

South Ayrshire Council

**Report by Depute Chief Executive and Director
of Housing, Operations and Development
to Cabinet
of 23 May 2023**

Subject: Transforming the Estate

1. Purpose

- 1.1 The purpose of this report is to present an update on the strategic review of the Council's estate by Avison Young; and; to seek approval from Cabinet to progress to develop a work programme that meets the strategic recommendations.

2. Recommendation

2.1 It is recommended that the Cabinet:

- 2.1.1 notes and agrees the strategic recommendations following conclusion of the consultant's review as shown at [Appendix 1](#);**
- 2.1.2 approve further work is undertaken to review the proposals for each asset type and validate cashable benefits and costs for the Council to deliver the outline work plan at [Appendix 2](#);**
- 2.1.3 requests that an update report on progress be provided to Cabinet in June 2024; and**
- 2.1.4 notes that additional resources will be required to complete the review.**

3. Background

- 3.1 In June 2021 COVID-19 recovery funding of £70,000 was made available to provide '*A Blueprint for Transforming our Estate - an action plan to transform our estate to meet the needs of our future workforce and communities for a thriving South Ayrshire*'.
- 3.2 Consultants Avison Young were appointed to deliver this work and provided the Council with their conclusions and recommendations in June 2022. Since that time the Avison Young report has been the subject of internal consideration before forming the recommendations of this report.
- 3.3 In developing the recommendations, a programme of desk-based research, data interrogation, case study collation and stakeholder engagement was undertaken. Council officers from a range of services were invited to participate and elected member sessions were held.

3.4 Avison Young have proposed:

- An overall vision for our Council estate and community and commercial buildings and assets ([Appendix 3](#));
- Strategic recommendations with an outline of the 'as-is' and identification of the 'to-be' states ([Appendix 2](#));
- A high level programme plan for delivering the vision and recommendations ([Appendix 1](#));
- Recommendations on co-location of services and potential efficiencies from a reduction in the office estate;
- Case studies and lessons learned from other public sector bodies including Common Good assets; and
- An outline of the potential benefits to the Council and the communities we serve that could be achieved over 5 – 10 years through a transformation of the estate and the dependencies, risks and investment required to deliver.

4. Proposals

4.1 Avison Young have identified a number of recommendations, including the implementation of a three phased approach to the transformation of the Council's estate. Cabinet are asked to endorse the phased delivery of the work programme as outlined below:

- **Phase 1** - strategy development: develop a plan to deliver a more efficient estate in the short-term with immediate financial savings coupled with a long-term direction of travel for the entire estate that will deliver a range of significant benefits in the medium to long term. It was intended that the Avison Young report would fulfil this purpose and complete Phase 1. It is considered that the report provides a comprehensive strategy that provides clear strategic direction. The report also provides specific recommendations on a number of particular assets. However, a more informed view on the feasibility and desirability of each of these particular recommendations requires to be the subject of more detailed review involving Asset Management, Strategic Change and Communities with advice from Legal and Finance Services and in consultation with Ward members.

It should also be noted that the strategic recommendations regarding Community Asset Transfer (CAT) could be ambitious. This is because accelerating CAT relies on communities coming forward to take up assets and this is an action that the Council can only partly influence. It should also be noted that the recommendations regarding Community Asset Transfer (CAT) will align with wider service priorities across Strategic Change and Communities. The intention is to align our CAT process with the Shared Prosperity Fund (SPF) and to further link existing work to develop our Localities Approach with a new Community Empowerment Fund, to be considered via SPF. This fund will enable officers from across our Regeneration, Community Wealth Building, Sports and Leisure, Community Planning and Thriving Communities teams to work together to provide direct support for community/third sector and social enterprise

groups to consider asset transfer. Work will support feasibility studies, condition surveys and where appropriate the development of business plans in support of community regeneration activity aligned with the CAT process.

For these reasons Phase 1, though complete, should be viewed as providing only strategic direction to a developing work programme over the next 3-5 years.

- **Phase 2** – Implementation: resources are to be deployed to rationalise and consolidate the estate and deliver efficiencies in the short term. As mentioned above, further detail and diligence requires to be undertaken with a cost/benefit analysis for each asset type, an EQIA and Fairer Scotland assessment and legal reviews to be undertaken. This work programme will require additional resources in both the Asset Management and Legal Services. A pilot of the first three asset reviews will run to estimate the appropriate resources required to deliver the outline work programme in the timescales indicated. A strategic review of the full work programme will also be undertaken. From both exercises required resources will be established and then a review of budgets within the Housing, Operations and Development Directorate will be undertaken to identify appropriate resourcing sources.
- **Phase 3** - transformation: as a result of the above implementation work a confirmed programme of investment, spend to save and commercialisation of the estate coupled with ongoing consolidation and rationalisation. The programme will address the strategic recommendations and could start to deliver tangible benefits from years 4-5 and will sustain up to and beyond 10 years. The confirmed programme will be recommended in an update report to Cabinet in June 2024.

4.2 The Cabinet is asked to note and agree the Strategic thematic recommendations as shown at [Appendix 1](#).

4.3 The Cabinet is asked to note that further work is undertaken by officers to identify resource requirements to deliver the outline work programme.

4.4 It is proposed that an update is brought back to Cabinet in June 2024 which includes a confirmed work programme and provides more detail on individual projects and how each of the strategic recommendations will be taken forward.

5. Legal and Procurement Implications

5.1 Legal resource will be required to review the programme and workplan for the next Phase and to ensure that the title position on the identified properties in the Avison and Young report is correct and that any recommendations for the programme and workplan comply with the requirements of the Council's Acquisitions and Disposals Policy and the statutory requirements prescribed by the Community Empowerment Act 2015. Avison Young have therefore highlighted a requirement for additional conveyancing resource. Resource requirements will be verified and detailed through the process identified at 4.1 (Phase 2) . .

5.2 There are no procurement implications arising from this report.

6. Financial Implications

- 6.1 Any specialist financial resource required to deliver proposals within the work plan will be verified and outlined in a report to Cabinet.
- 6.2 A range of cashable benefits have been proposed by the consultants and require to be validated within business cases as part of the next phase of the work.

7. Human Resources Implications

- 7.1 Taking forward the recommendations will involve additional Asset Management and Legal Human Resource. The resource implications will be identified through the process identified at 4.1 (Phase 2)

8. Risk

8.1 *Risk Implications of Adopting the Recommendations*

- 8.1.1 Some recommendations may not be feasible. However, feasibility will be fully considered in the business cases that are developed for each asset and recommended action.

8.2 *Risk Implications of Rejecting the Recommendations*

- 8.2.1 The risks with rejecting the recommendations are that the Council is unable to benefit from opportunities, particularly financial, to transform its estate and better meet the needs of residents and the Council.

9. Equalities

- 9.1 The proposals in this report have been assessed through the Equality Impact Assessment Scoping process. At this stage, there are no significant potential positive or negative equality impacts of agreeing the recommendations and therefore an Equalities Impact Assessment is not required. A copy of the Equalities Scoping Assessment is attached as [Appendix 4](#).
- 9.2 Future projects emanating from the programme will be subject to individual Equalities Scoping Assessments.

10. Sustainable Development Implications

- 10.1 ***Considering Strategic Environmental Assessment (SEA)*** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

11. Options Appraisal

- 11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

12. Link to Council Plan

- 12.1 The matters referred to in this report contribute to Priorities 1, 2 and 3 of the Council Plan: Spaces and Places/ Moving around and the environment (Outcome 1); Live,

Work, Learn/ Work and economy (Outcome 2); and Civic and Community Pride/ Pride in South Ayrshire (Outcome 1).

13. Results of Consultation

- 13.1 There has been no public consultation on the contents of this report.
- 13.2 Consultation has taken place with Councillor Martin Dowey, Portfolio Holder for Corporate and Strategic, Councillor Ian Davis, Portfolio Holder for Finance, Human Resources and ICT, and Councillor Martin Kilbride, Portfolio Holder for Buildings, Housing and Environment, and the contents of this report reflect any feedback provided.

14. Next Steps for Decision Tracking Purposes

- 14.1 If the recommendations above are approved by Members, the Depute Chief Executive and Director of Housing, Operations and Development will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to Cabinet in the 'Council and Leadership Panel Decision Log' at each of its meetings until such time as the decision is fully implemented:

<i>Implementation</i>	<i>Due date</i>	<i>Managed by</i>
Provide a further update to Cabinet	June 2024	Service Lead – Asset Management and Community Asset Transfer

Background Papers None

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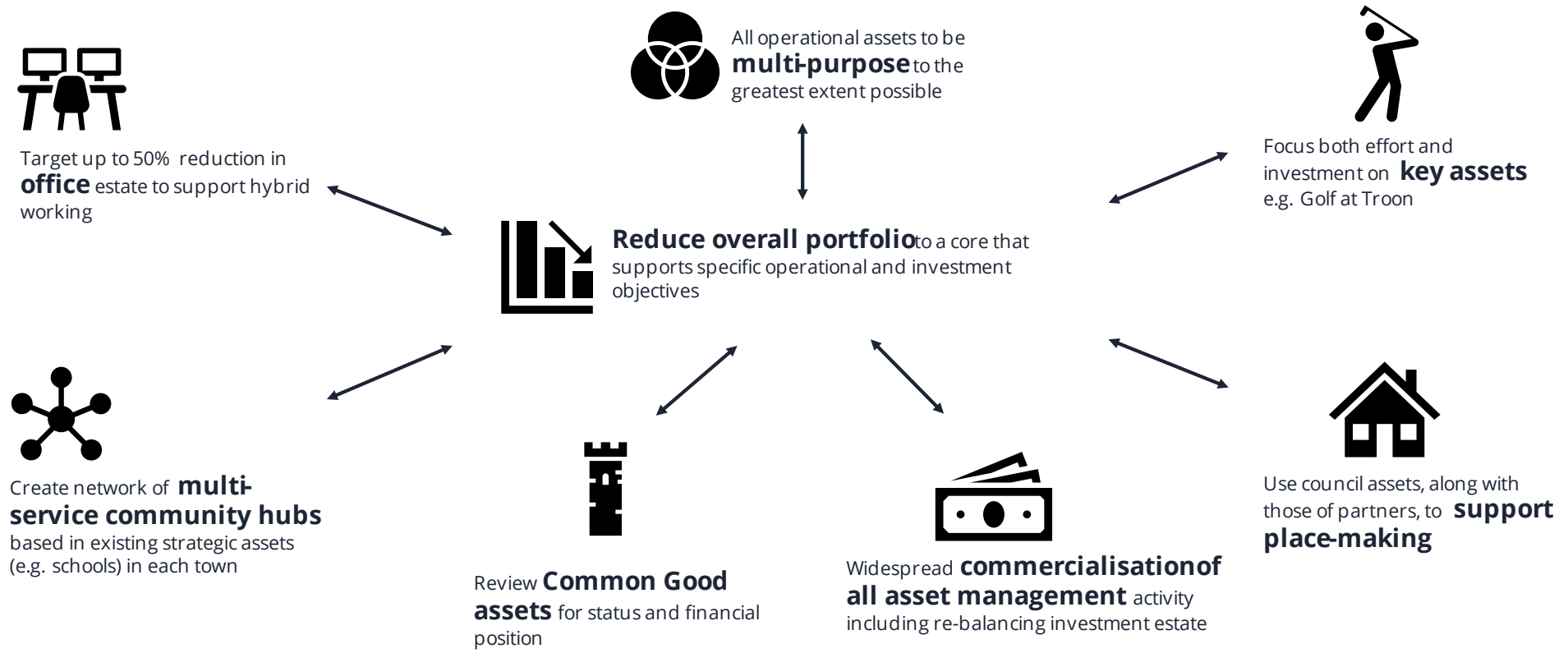
Date: 11 May 2023

Appendix 1: Transforming the Estate – Strategic Recommendations



Strategic thematic' recommendations

The direction of travel for the estate is mapped out below, centred around one core strategic recommendation



Appendix 2 –Transforming the Estate Outline Work Plan

ACTION PLAN AND RESOURCES	TIMESCALE (months)							
	0-3	4-6	7-9	10-12	13-15	16-18	19-21	22-24
Reduce office estate by up to 50%								
- Validate areas								
- Confirm market values								
- Engage with potential public sector partners and other occupiers								
- Appraise options and prepare business case								
- Determine consolidation plan								
- Separate but linked review of future of CSCs								
- Implement office consolidation								
Multi-service community hubs								
- Agree short list with potential as hubs to test concept								
- Engage with services and partners								
- Assess viability and prepare business case								
- Implement/extend community hub model								
Commercialisation of asset management								
- Short term asset mangt initiatives								
- Agreed investment strategy								
- Commence sale negotiations								
- Commercialise other asset mangt activities e.g. venues, parking								
- Investment in new assets								
Common Good property								
- Determine 'core' Common Good properties								
- Estimate future cash flow requirements for 'core' properties								
- Prepare asset by asset financial assessments or non-core								
- Re-balance portfolios - active mangt and disposals/transfers								

ACTION PLAN AND RESOURCES	TIMESCALE (months)							
	0-3	4-6	7-9	10-12	13-15	16-18	19-21	22-24
Commercialise key golf assets								
- Explore options for investment/partnerships								
- Identify preferred options and funding route								
- Procure works/partner								
- Implement agreed initiative(s)								
Support place-making								
- Agree pilot locations/liase with partners								
- Appraise options and agree town strategies								
- Implement new place plans								
Challenge retention of 'non-essential' assets								
- Critical review of assets not supporting a statutory duty								
- Establish corporate policy on future of above assets								
- Implement disposal/transfer in line with policy								
- Accelerate Community Asset Transfers								
- Accelerate disposal of existing surplus and redundant assets								

Appendix 3 – Vision and Principles

Theme	The Vision - in the future, we will have an estate that...	Estate Principles
All assets	Is ideally located, used and configured to support the delivery of corporate objectives	Assets will be retained only if they support a specific service delivery, financial, social or other objective
Community assets	Supports community-led regeneration and the empowerment of communities to determine what is best for them	Assets should be transferred where it makes sense financially and operationally to support community building and place-making
Commercial estate	Delivers respectable financial and non-financial returns	Commercial property will be held only where it meets explicit financial, social and/or economic objectives
Golf assets	Captures the unique value and economic impact arising from a small number of leisure-related assets	Commercialisation opportunities and/or partnerships will be investigated and exploited. Assets will be retained only if they can achieve explicit objectives
Operational assets	Enables collaborative working across departments, between the council and partners, and will be used to generate new income streams without prejudicing their core purpose	All assets will be multi-purpose wherever possible
Partnerships	Enables partnership working and the streamlining of local public sector service delivery	The council will share space with partners (in council premises or the premises of partners) to support collaboration and joint working
Offices and 'villages' within	Supports a hybrid working model and the health and well-being of staff	Offices will be rationalised, reconfigured and re-positioned to provide a smaller, fit for purpose workspace - using existing assets so far as possible
Service delivery hubs	Provides a visible, accessible and cost-effective platform for delivering integrated services to communities	Services to the community will be provided within the community in multi-purpose service hubs that are visible and accessible - using existing assets so far as possible

South Ayrshire Council
Equality Impact Assessment including Fairer Scotland Duty

Section One: Policy Details*

Name of Policy	Transforming the Estate
Lead Officer (Name/Position)	Chris Cox Assistant Director – Planning and Development Chris.cox@south-ayrshire.gov.uk
Support Team (Names/Positions) including Critical Friend	Kevin Anderson, Service Lead -Policy, Performance and Community Planning.

*The term Policy is used throughout the assessment to embrace the full range of policies, procedures, strategies, projects, applications for funding or financial decisions.

What are the main aims of the policy?	To provide an outline action plan to transform the estate to meet the needs of our future workforce and communities for a thriving South Ayrshire
What are the intended outcomes of the policy?	<ul style="list-style-type: none"> • To reduce the office estate • To provide multi-service community hubs • To further commercialise Council assets • To review Common Good property • Commercialise key golf assets • Support placemaking • Challenge the retention of non-essential assets

Section Two: What are the Likely Impacts of the Policy?

Will the policy impact upon the whole population of South Ayrshire and/or particular groups within the population? (please specify)	The policy will impact areas of South Ayrshire that have Council assets that may be rationalised or commercialised or community hubs developed and assets improved. Due to the number of offices, commercial assets and common good assets the impact will likely be highest in the towns of Ayr, Prestwick, Troon, Maybole and Girvan.
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Considering the following Protected Characteristics and themes, what likely impacts or issues does the policy have for the group or community?

List any likely positive and/or negative impacts.

Protected Characteristics	Positive and/or Negative Impacts
Age: Issues relating to different age groups e.g. older people or children and young people	No impact anticipated: New arrangements would be fully inclusive to all age groups.

Disability: Issues relating to disabled people	No impact anticipated: New arrangements would be fully inclusive to people with disabilities
Gender Reassignment – Trans/Transgender: Issues relating to people who have proposed, started or completed a process to change his or her sex	No impact anticipated: New arrangements would be inclusive to all irrespective of a person's gender.
Marriage and Civil Partnership: Issues relating to people who are married or are in a civil partnership	No impact anticipated: New arrangements would be inclusive to all irrespective of a person's marital/civil partnership status.
Pregnancy and Maternity: Issues relating to woman who are pregnant and/or on maternity leave	No impact anticipated: New arrangements would be fully inclusive to this group.
Race: Issues relating to people from different racial groups,(BME) ethnic minorities, including Gypsy/Travellers	No impact anticipated: New arrangements would apply equally to Individuals of all racial groups
Religion or Belief: Issues relating to a person's religion or belief (including non-belief)	No impact anticipated: New arrangements would be fully inclusive to all religions and beliefs (including non-belief).
Sex: Issues specific to women and men/or girls and boys	No impact anticipated: new arrangements would have a positive impact on both men and women.
Sexual Orientation: Issues relating to a person's sexual orientation i.e. LGBT+, heterosexual/straight	No impact anticipated: New arrangements would be fully inclusive to all irrespective of a person's sexual orientation.

Equality and Diversity Themes Relevant to South Ayrshire Council	Positive and/or Negative Impacts
Health Issues and impacts affecting people's health	Positive: An improved estate will contribute to better places which will improve health and wellbeing.
Human Rights: Issues and impacts affecting people's human rights such as being treated with dignity and respect, the right to education, the right to respect for private and family life, and the right to free elections.	Positive: Any change to Common Good, HRA assets, open space land or Community Asset Transfers will be subject of full consultation with human rights considerations integral.

Socio-Economic Disadvantage	Positive and/or Negative Impacts
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<p>Low Income/Income Poverty: Issues: cannot afford to maintain regular payments such as bills, food and clothing.</p>	<p>Positive: Assets the subject of improvement will provide enhanced services to local communities. Negative: Assets that may be rationalised may result in service users requiring to travel further for services.</p>
<p>Low and/or no wealth: Issues: enough money to meet basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future</p>	<p>Positive: Assets the subject of improvement will provide enhanced services to local communities. Negative: Assets that may be rationalised may result in service users requiring to travel further for services</p>
<p>Material Deprivation: Issues: being unable to access basic goods and services i.e. financial products like life insurance, repair/replace broken electrical goods, warm home, leisure/hobbies</p>	<p>Positive: Assets the subject of improvement will provide enhanced services to local communities. Negative: Assets that may be rationalised may result in service users requiring to travel further for services</p>
<p>Area Deprivation: Issues: where you live (rural areas), where you work (accessibility of transport)</p>	<p>Positive: Assets the subject of improvement will provide enhanced services to local communities. Negative: Assets that may be rationalised may result in service users requiring to travel further for services</p>

Section Three: Evidence Used in Developing the Policy

<p>Involvement and Consultation In assessing the impact(s) set out above what evidence has been collected from involvement, engagement or consultation? Who did you involve, when and how?</p>	<p>At Council meeting on 1st March 2023, the Council approved the General Services Revenue Budget 2023-2024 and the Capital Investment Programme 2023-24 to 2034-2035.</p>
<p>Data and Research In assessing the impact set out above what evidence has been collected from research or other data. Please specify what research was carried out or data collected, when and how this was done.</p>	<p>Research undertaken within Avison Young Report 'Transforming the Estate'.</p>
<p>Partners data and research In assessing the impact(s) set out in Section 2 what evidence has been provided by partners? Please specify partners</p>	
<p>Gaps and Uncertainties Have you identified any gaps or uncertainties in your understanding of the issues or impacts that need to be explored further?</p>	

Section Four: Detailed Action Plan to address identified gaps in:

- a) evidence and
- b) to mitigate negative impacts

No.	Action	Responsible Officer(s)	Timescale
1	Each Asset type review will involve an EQIA	Tom Burns	By June 2024

Note: Please add more rows as required.

Section Five - Performance monitoring and reporting

Considering the policy as a whole, including its equality and diversity implications:

When is the policy intended to come into effect?	Policy will be implemented on a rolling basis
When will the policy be reviewed?	End of June 2024
Which Panel will have oversight of the policy?	Cabinet

Section 6

South Ayrshire Council



Summary Equality Impact Assessment Implications & Mitigating Actions

Name of Policy: Approval Process and Governance Arrangements for Ward Capital Projects.

This policy will assist or inhibit the Council's ability to eliminate discrimination; advance equality of opportunity; and foster good relations as follows:

<p>Eliminate discrimination</p> <p>Neither assist nor inhibit.</p>
<p>Advance equality of opportunity</p> <p>This will look to advance opportunities through improvement of our estate.</p>
<p>Foster good relations</p> <p>This will continue to foster good relations by developing meaningful communication and engagement with local communities to identify their needs and views.</p>
<p>Consider Socio-Economic Disadvantage (Fairer Scotland Duty)</p> <p>The Approval Process and Governance Arrangements for Ward Capital Projects will pay due regard to the Fairer Scotland Duty.</p>

Summary of Key Action to Mitigate Negative Impacts	
Actions	Timescale
Each asset review will involve an EQIA and Fairer Scotland Assessment to ensure no negative impacts or identify mitigation of impacts.	Rolling with each asset review.

Signed: Chris Cox

Date: 4th May 2023