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|------------------------|---------------------------------------|
| <b>Report to:</b>      | The Board                             |
| <b>Meeting Date:</b>   | 24 <sup>th</sup> June 2019            |
| <b>Report Title</b>    | Property Asset management Plan - 2019 |
| <b>Report Category</b> | For Information                       |
| <b>Issue status:</b>   | Business as usual                     |

|                              |                                                     |
|------------------------------|-----------------------------------------------------|
| <b>Written by:</b>           | Colin McKinnell, facilities Manager and Graeme Hill |
| <b>Director responsible:</b> | Graeme Hill                                         |
| <b>Presented by:</b>         | Graeme Hill                                         |
| <b>Contact details:</b>      | hillgr@slab.org.uk                                  |

| <b>Delivery of Strategic Objectives</b>                  |                                                                                                                                                                       |
|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Select the Strategic Objective(s) relevant to the issues | 3. to ensure that our organisation has the culture and capability to be responsive to our customers, the justice system and developments in legal and advice sectors. |

| <b>Link to Board or Committee Remit</b> |
|-----------------------------------------|
| N/A                                     |

| <b>Publication of the Paper</b>                                                                                                                |
|------------------------------------------------------------------------------------------------------------------------------------------------|
| The Board has previously agreed that this paper should be published as a matter of routine. It will be published on our website in due course. |

| <b>Executive Summary</b>                                                                                                                                                                                                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| This paper is submitted in support of the attached updated Property Asset Management Plan for 2019. The plan sets out our approach to property matters, supporting the objectives of the new business plan over the course of the next year and beyond. |

| <b>Previous Consideration</b> |               |
|-------------------------------|---------------|
| <b>Meeting</b>                | <b>Detail</b> |
| N/A                           |               |

### 1. BACKGROUND

The attached paper is the Scottish Legal Aid Board's updated Property Asset Management Plan. This plan provides a context for the annual Asset Management Strategy Review and is set out within a framework suggested by the Office for Government Commerce (OGC). The plan highlights the decisions made in respect of our main administration accommodation at Thistle House and all of the other properties that make up our Estate (CLAO and PDSO offices), which were supported by the Scottish Government's Property Advice Division, Facilities and Estates Services {which includes the Scottish Futures Trust (SFT)} and our Sponsor Division.

We have established a clear direction of travel and priorities for property services. A continued focus will be placed on the delivery of best value in the provision of property assets. For our main administration headquarters at Thistle House, this will include optimising the utilisation of space, creating opportunities for future letting of available space where possible and practicable, and looking at smarter working to provide breakout and collaborative solutions for SLAB staff. For our PDSO and CLAO offices, a focus on bringing current facilities in line with the quality of our main administration office and ensuring that suitable relocation to new premises at lease breaks (where appropriate) meet that quality level and current accessibility requirements.

### 2. SUMMARY OF THE PLAN

In summary, the key elements of the plan are:

- a description of SLAB's main property asset holdings; including the size, locations, rental, tenure, and lease expiry;
- an exposition of SLAB's plans in relation to each of its main property holdings, including:
- ongoing planning and smarter working for our offices at Thistle House, 91 Haymarket Terrace, Edinburgh
- ongoing review of how changing technology and working practices, impact on our property strategies and relocation plans for CLAO and PDSO
- a readiness to react with value for money solutions to any property implications as part of our ongoing review of our PDSO and CLAO property portfolio
- the underpinning of the plan with themes of accessibility, sustainability and biodiversity
- a description of the roles and responsibilities governing the use and management of property in SLAB; and
- ongoing review of the arrangements for the evaluation of the performance of the whole estate and of property management practices.
- SLAB's carbon management plan which replaced the one based on Drumsheugh Gardens. We have now concluded the third year where we can compare with our established baseline.

Members should note that any new leases will be the subject of detailed business cases which require comprehensive analysis. The business case requires a chain of approval including Sponsor, SG Property (in conjunction with Scottish Futures Trust - SFT) then approval by SLAB's Minister and finally approval by the Cabinet Secretary for Finance, Economy and Fair Work. This can be a lengthy process which requires significant advanced planning. The final decision on all leases or purchases of property rests with the Scottish Government.

### **3. THISTLE HOUSE**

We have now been in Thistle House since January 2015. Our focus is firmly on how we continue to develop the property for the mutual benefit of both staff and the organisation. Thistle House running costs, and facilities costs in general is one of the largest outside of staffing numbers and therefore it is vital that these are managed both in terms of cost and environmental efficiencies.

#### **Key Developments / issues in 2018/19**

- A significant amount of time resource and cost has gone into maintenance issues since we have relocated. As highlighted in previous plans, many of the issues stem from poor installation and maintenance and this has been by far the biggest single on-going issue for staff. With the further work undertaken this past year we believe that the building is in a more stable condition; however due to ongoing Health and Safety issues and a need to improve toilet facilities we have now completed the refurbishment of our "restroom" facilities and replaced the vinyl on the staircases. This should provide a long term maintenance benefit, not to mention the significant improvement to the dated facilities.
- As part of the "smarter working" programme in January 2016 SLAB appointed SFT to carry out a workstation utilisation survey. SFT analysed the results and provided feedback. Desk occupancy was higher than most organisations at up to 80% occupation, and our space utilisation was also analysed and found to be 8.09 sqm per employee which is within SFT's target of 8-9 sqm per person. The Scottish Government have rolled out a programme of work across their estates to reduce this by introducing smarter working and many local authorities have reduced their workspace to a 7 to 10 ratio. We continue to explore opportunities to reduce our footprint, improve working space for staff and look at innovative ways to increase our rental income and reduce costs.
- Flexible homeworking has now been put on a business as usual footing by the Executive Team, but will be further considered as part of the People Strategy along with a number of other potential initiatives. To support future change, we have commenced work on telecommunications and technology requirements which will take SLAB on the journey towards Smarter Working.
- We continue to work with our tenants, and in June, have just completed a significant transformation of our third floor in Thistle House. This has been a major aspect of Facilities work over the last 12 months but has resulted in a much improved use of the building but moving Children's Hearing Scotland into the third floor and retaining the Mental Welfare Commission. This was supported

by the SFT to help reduce their footprint in our offices and both organisations received funding to support the building changes in Thistle House.

Thistle House is now regarded as a model building by SG Property and is a Public Sector mini-hub in its own right.

#### **4. PDSO/CLAO OFFICES**

We currently have 10 offices around Scotland which are used to house the PDSO and CLAO. As aforementioned, we are currently undertaking a review of our property portfolio to ensure that we can provide suitable premises for the future, and whilst we will continue to seek opportunities to reduce these costs where we can, we are looking to ensure that across the locations where we have PDSO and CLAO offices, we can consider a standardisation of quality, value for money and meet the operational requirements. We will also consider using single premises for CLAO and PDSO where this is practicable and appropriate.

The general approach to the provision of property for PDSO has been to lease office accommodation of a standard similar to that utilised by a typical private practice solicitor firm: however we have now agreed that the existing and any new accommodation should be of a minimum corporate standard, which should be similar in a number of aspects to our main administration office. To support this facilities management have continued a programme of work to bring the offices up to that standard.

A plan has been prepared to consider options for relocation in Inverness (PDSO & CLAO) and an initial selection of premises to view has been made. The Edinburgh (PDSO) where the lease expired in March 2019 has been renewed for 12 months to allow for a move to more suitable premises that would allow for better operational use, sharing with the Solicitor Contact Line (SCL) and which could allow a small number of SLAB staff to work remotely but not from home. The CLAO Argyle and Bute Office which is on a short term MOTO from the Council is currently under review.

#### **5. CARBON MANAGEMENT PLAN**

SLAB developed a new Carbon Management Plan which targets its asset use and was produced in conjunction with the Carbon Trust, Resource Efficient Scotland, Keep Scotland Beautiful and the Sustainable Scotland Network. In November 2016 the Board approved the new Carbon Management Plan that sets out how we aim to meet reductions in SLAB's carbon emissions by 2022. Our aim is that by 2022, SLAB will have reduced its carbon emissions by 10% on a baseline of 2015. This equates to a figure of 42.6 tonnes CO<sub>2</sub>e in 2015. Emissions recorded in 2017-18 demonstrate that we are currently 110 tonnes of CO<sub>2</sub>e or 26% below the baseline per annum and are therefore achieving the target.

|   | <b>Governance Links</b>                                                                                                                                                                                                                                                                          |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | <b>Finance and Resources</b><br>The Plan sets out the financial position and necessary financial management concerning our property estate.                                                                                                                                                      |
| 2 | <b>Risk</b><br>This plan mitigates the Corporate risks as set out in risk 16 re buildings failure and risk 13 - non-compliance with a range of statutory obligations.                                                                                                                            |
| 3 | <b>Legal and Compliance</b><br>This highlights our statutory obligations to annually report on Bio Diversity and our Carbon Management Plan, and SLAB's Property Asset Management Plan is prepared annually as set out within a framework suggested by the Office for Government Commerce (OGC). |
| 4 | <b>Performance</b><br>Nothing additional to note.                                                                                                                                                                                                                                                |
| 5 | <b>Equalities Impact</b><br>An Equality Impact Assessment is not required for this paper.                                                                                                                                                                                                        |
| 6 | <b>Privacy Impact and Data Protection</b><br>No privacy or data protection issues identified.                                                                                                                                                                                                    |
| 7 | <b>Communications and Engagement</b><br>It has previously been agreed that this paper could be published.                                                                                                                                                                                        |

#### **Appendices/Further Reading**

Appendix 1 Property Asset management plan 2019

#### **Conclusion and next steps**

Two main themes of activity will be prioritised this year. A continued focus on improving the utilisation of Thistle House for public sector use, and whilst reviewing SLAB's space requirements, working to improve the overall facilities, and, the planning and execution of either relocating or provide better office accommodation and facilities for CLAO and PDSO.

# SCOTTISH LEGAL AID BOARD PROPERTY ASSET MANAGEMENT PLAN

JUNE 2019



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## 1. Foreword

Property is the second most costly resource for the Scottish Legal Aid Board (SLAB) after its staff. Good quality, well-located accommodation is important to the effective running of the business of SLAB and it should serve and shape how we work as well as provide value for money. Of all resources property, due to its physical nature and tenure restrictions, can be the slowest to enable reaction to changes in business, IT, human resources, working methods and other external influences.

This property asset management plan sets out an overarching vision for corporate property assets and property services across SLAB's activities comprising our central headquarters and the networks of Public Defence Solicitors' Offices (PDSO) and Civil Legal Assistance Offices (CLAO) across Scotland. Our objective is a property estate of an appropriate quality that supports SLAB in the delivery of its corporate objectives whilst at the same time delivering best value.

The plan reflects the need for our property assets to meet the needs of users. For the PDSO and CLAO a primary consideration will be how the location and function of property meets the needs of clients and the service. The physical environment will need to meet the needs of staff in delivering their services while the location has to facilitate effective and economic interaction with other services, including the courts.

We moved our central headquarters in 2015. The selection of Thistle House enabled us to maintain the location at the west end of Edinburgh with exceptionally good transport links, thus avoiding any significant disruption.

We have established clear priorities for property services. A continued focus will be placed on the delivery of best value in the provision of property assets. For our central headquarters this includes optimising the utilisation of space and creating opportunities for future letting of available space and looking at smarter working to provide breakout and collaborative solutions for staff.

One of the benefits of continuing to rationalise our use of space is that we are able to offer more accommodation to the wider Scottish Government community. Examples of this rationalisation are demonstrated by the relocation of the CLAO Edinburgh office into Thistle House from a private let in Picardy Place in December 2015 and by working with the Mental Welfare Commission for Scotland, an existing tenant on the 3<sup>rd</sup> floor of Thistle House, to rationalise and reduce the space they occupied, thereby allowing us to accommodate Children's Hearing Scotland in 2019.



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## 2. Introduction

This document is SLAB's seventh Asset Management Plan. It is set out within a framework suggested by the Office for Government Commerce (OGC). We view this plan as a strategy document to be used for an ongoing asset management strategy review.

In April 2019 the Scottish Government issued an Estate Strategy for the central estate. It includes key objectives, underlying principles and measures of success and is intended to provide clarity on what is expected of organisations and their future property needs.

The central estate supports Scottish Government and its public body network in delivering public services across Scotland.

Physical assets can also support the outcomes embedded in our National Performance Framework, contributing to local economic impact and provide the opportunity to connect and interact with the communities that we serve. Planning ahead will ensure we have the right property and services in the right location, with the opportunity for a sustainable and well-managed estate.

The Scottish Government estate strategy builds on changes already achieved across central estate offices:

- A reduction in the total estate size of 25% between 2012/13 and 2017/18.
- A reduction in running costs of 27% over that period.
- A transition by many organisations to 'smart working' practices.

The strategy is key to ensuring a more corporate and collaborative approach to managing the Scottish Governments assets, using them to create a transformative working environment to support a culture which underpins a great place to work. This strategy is through the 'Property Controls' arrangement in place under the Scottish Public Finance Manual and we work closely with colleagues in the Scottish Futures Trust, Smarter Workplaces Programme and the Scottish Government Property Division to deliver it.

In moving to Thistle House, an improved workstation utilisation has been achieved (circa 90%) due to improved space planning and the introduction of a number of flexible homeworking pilots. Flexible homeworking is now on a business as usual footing.

Now that we are well established in Thistle House we are examining the most appropriate working environment for our staff. Having already achieved a low space/staff density we will look at better ways of utilising our space to support effective service delivery. These include informal meeting areas, collaborative space, break out space and sit / stand desking. In 2017-18 we began to remove desking on one floor to allow more scope for new ways of working. As stated in the last plan significant further opportunities for improved space utilisation were identified within tenanted areas where density of staff is currently much lower. As a result of this the whole of the 3<sup>rd</sup> floor has been reconfigured in the last six months and examples of all types of smarter and new ways of working have been introduced.

This process began in 2016/17 when we commenced working with the Scottish Futures Trust (SFT) and our largest tenant, the Mental Welfare Commission for Scotland (MWC), to examine the space they were using. In the last year this work became a formal project and Children's Hearing Scotland were identified as an ideal co-occupier for the 3<sup>rd</sup> floor.

We have also met with other potential tenants who may be able to utilise any free space that becomes available. We also liaise with Scottish Government Property to endeavour to satisfy any new requirement they may have, the most recent case being an inquiry made in May 2019.

Although the issues are different in the dispersed estate occupied by PDSO and CLAO, our focus on best value is no less relentless. We will ensure best value in procurement decisions through robust options appraisal and will, like in our central headquarters, look for good and improving performance by

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measuring customer satisfaction and asset performance using metrics associated with space utilisation, ownership costs and energy efficiency. In April 2016 responsibility for all Facilities Management of these sites became the responsibility of the in-house SLAB team. Our current focus is to concentrate on those properties with leases that are due to expire. This process is complex and time consuming due to the number of parties that are involved in the process.

The plan also reflects SLAB's objective of reducing the environmental impact of its activities; including our efforts to reduce our carbon footprint through better use of assets and helping staff travel to work by public or active transport; and through development of sustainable procurement and biodiversity strategies.

This Asset Management Plan sets out our approach for our combined estates across the whole of SLAB's activity, the current nature of the estate and the direction of travel we propose to take and the arrangements we have put in place to enable this.

The main aim of our Asset Management Plan is to ensure that appropriate property assets are held and property services provided meet SLAB's Business Plan and its objectives.

This Property Asset Management Plan is intended to be a dynamic framework for the improvement of the property estate and services and this plan will be reviewed annually to ensure effective progress is being made.

### 3. Current Property Asset Base

|                                                | <i>Net internal Area m<sup>2</sup></i> | <i>Annual rental</i> | <i>Tenure</i> | <i>Lease break</i> | <i>Lease expiry</i> | <i>Location</i>              |
|------------------------------------------------|----------------------------------------|----------------------|---------------|--------------------|---------------------|------------------------------|
| <b>Scottish Legal Aid Board, Thistle House</b> |                                        |                      |               |                    |                     |                              |
| SLAB HQ                                        | 2,152<br>3,575+                        | n/a                  | SLAB          | n/a                | n/a                 | Haymarket Terrace, Edinburgh |
| <b>PDSO</b>                                    |                                        |                      |               |                    |                     |                              |
| Glasgow                                        | 111                                    | £13,000              | Leasehold*    | -                  | Jan 2010            | Saltmarket, Glasgow          |
| Edinburgh                                      | 159                                    | £22,200              | Leasehold     | -                  | Mar 2020            | St Mary's Street, Edinburgh  |
| Inverness                                      | 74.7                                   | £9,000               | Leasehold     | -                  | Dec 2019            | Queensgate, Inverness        |
| Ayr                                            | 60.7                                   | £6,500               | Leasehold*    | -                  | Apr 2013            | Wellington Square, Ayr       |
| Dundee                                         | 62                                     | £4,500               | Leasehold*    | -                  | Apr 2012            | Cowgate, Dundee              |
| Falkirk                                        | 98.8                                   | £8,500               | Leasehold*    | -                  | May 2012            | West Bridge Street, Falkirk  |
| Kirkwall                                       | 25                                     | £4,110               | MOTU**        | MOTU               | MOTU                | Tankerness Lane, Kirkwall    |
| <b>CLAO</b>                                    |                                        |                      |               |                    |                     |                              |
| Highlands and Islands                          | 275                                    | £19,000              | Leasehold     | -                  | Oct 2019            | Union Street, Inverness      |
| Edinburgh                                      | 100                                    | n/a                  | MOTU          | MOTU               | MOTU                | Haymarket Terrace, Edinburgh |
| Aberdeen                                       | 147.7                                  | £14,500              | Leasehold     | -                  | Feb 2020            | Union Street, Aberdeen       |

\* These leases are currently being extended on tacit relocation.

\*\* This property is part of the government estate; rental cost is an all-inclusive property charge. MOTU refers to Memorandum of Terms of Understanding Agreements.

+ Whole Building 3,575, SLAB 2,152m<sup>2</sup>

#### 3.1 Scottish Legal Aid Board Administrative Offices

In April 2015 the previous SLAB Headquarters at 38-44 Drumsheugh Gardens was disposed of.

**Thistle House** was previously within the Scottish Government portfolio and is a modern open plan office environment. The total Net Internal Area (NIA) is 3,575m<sup>2</sup> (SLAB 2,152 m<sup>2</sup>) and there are 31 rooms in the Scottish Legal Aid Board's areas. This is made up of 5 open plan rooms, 5 individual offices and twelve meeting rooms, the rest being stores and other ancillary rooms.

The building benefits from a modern heating / cooling system, lighting and services to be expected of an office built in the last 30 years; however a significant amount of time, resource and cost has gone

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into maintenance issues since we have relocated. As highlighted in previous plans, many of the issues stem from poor installation and maintenance and this has been by far the biggest single ongoing issue for staff. With the further work undertaken this past year we believe that the building is in a more stable condition; we refurbishing our “restroom” facilities and replacing the vinyl on the staircases in the last year. This should provide a long term maintenance benefit, not to mention a significant improvement to our current dated facilities. This financial year we will be modernising our lifts, shower facilities and replacing the boiler flue.

The Solicitors Contact Line is located on the Ground floor which allows it to operate 24 hours 7 days a week with its own entrance / exit, kitchen and toilets. This area is sealed off when the rest of the building is vacant.

### **3.2 Accessibility**

Accessibility & Equalities are key measures in assessing any existing or proposed premises. When sourcing new offices they must be considered from the outset. Where practical, ground floor accommodation will be sought which is easily accessible using public transport.

The Scottish Government Estate Strategy has three objectives one of which is to be accessible, open to change and in the right locations, maximising co-location opportunities. Offices and other sites are to be easy to get to for all staff (including those with disability and mobility issues). Buildings should support engagement with local communities.

SLAB’s main premises at Thistle House have been assessed for accessibility and a disabled access ramp is in use to provide assisted access to the building’s entrance and reception area. Disabled access provision is also included in the premises inspection checklist for PDSO and CLAO premises. Where disabled access is not practicable, alternative meeting points are arranged.

We carried out Accessibility Audits on all properties in 2016. Action plans were developed and have been implemented by Facilities staff and remote office managers. Improvements have been made to the disabled parking provisions, reception area and signage in Thistle House during our occupation.

Accessibility is one of the key measures we use when assessing new property. In line with the Scottish Government Estate Strategy we must ensure that any new acquisition is suitable for all with disability and mobility issues, as government property control approval will not be achieved without this.

### **3.3 Asset Data Management**

In response to a Modernising Government White Paper initiative, the Office of Government Commerce (OGC) developed an electronic Property Information Mapping Service (ePIMS) of government’s civil estate occupations.

SLAB stores all of its core basic property data (such as location, type, age, ownership, covenants, occupancy, valuation, and listed building status) on ePIMS. Entries on the system must be kept up to date as required and reviewed annually under both the ePIMS licensing agreement and the responsibilities of accountable officers under the SPFM. All data is currently being reviewed, with SG assistance requested, as we endeavour to complete it by July 19, as instructed.

Through ePIMS, SLAB has online access to the government-wide property database. This enables SLAB to both update their own property information and to view the central civil estate as a whole on an electronic map, including vacant space and demand information.

The Smarter Workplaces Programme also seeks opportunities to improve the efficiency of the Scottish Government’s core and wider public body estate. It also captured and reported on savings already being achieved by organisations.

### **3.4 Resource Consumption**

Resource consumption in terms of annual cost is shown in the table below which provides very clear picture of the cost benefits of the move to Thistle House. The business case determined savings of circa £600k per annum and savings have matched that expectation. Individual years ending 31 March 2015, 2016, 2017, 2018 & 2019 are set out in Appendix 2.

| Years   | SLAB<br>£000 | PDSO<br>£000 | CLAO<br>£000 | SCL<br>£000 | Total<br>£000 |
|---------|--------------|--------------|--------------|-------------|---------------|
| 2014-15 | 1,059        | 132          | 171          | 13          | 1,375         |
| 2015-16 | 296          | 133          | 183          | 9           | 621           |
| 2016-17 | 286          | 147          | 130          | 10          | 573           |
| 2017-18 | 464*         | 168          | 133          | 10          | 775           |
| 2018-19 | 386*         | 162          | 143          | 13          | 704           |

\*This includes a one off increase split over two years for the toilet & staircase refurbishment costs.

The following table shows the income derived from Thistle House which is netted off in terms of the total costs reflected in the table above. The significant increase in 2016-17 was a change to the capital charge, increasing following a revaluation of Thistle House.

| Years   | SLAB<br>£000 |
|---------|--------------|
| 2014-15 | 367          |
| 2015-16 | 360          |
| 2016-17 | 419          |
| 2017-18 | 425          |
| 2018-19 | 499          |

#### 4. Alignment of Business Aims with Property Asset Plans

SLAB's standard practice and decision-making on assets is based on Best Value, informed by best practice and using net present value in economic appraisal of investment business cases. SLAB has developed a standardised approach to property procurement decisions (Appendix 1):

- to ensure consistency of approach and delivery in property investment;
- to ensure clear definition of responsibilities in the procurement process;
- to ensure needs are well aligned with property specification;
- to rationalise sourcing, including investigation of joint working opportunities;
- to support rigorous appraisal of investment decisions;
- to ensure consistency and rigour in the development of lease terms; and
- to integrate with the requirements of the Scottish Government to obtain the approval of the Cabinet Secretary for Finance, Economy and Fair Work for new or renewed leases.

##### 4.1 Scottish Legal Aid Board Administrative Offices

As stated in the previous Asset Plans there were no known plans regarding SLAB's function, operation or location that suggested a major change to its likely property requirements; however, small reductions in WTE were expected. We were also aware that the Scottish Government could require SLAB to take on possible further duties or responsibilities. SLAB sought to extract best value from its use of property by seeking to continue to minimise its space requirements.

The Scottish Government, in recognition of our track record of successfully hosting other organisations, transferred ownership of Thistle House to us in July 2014. We are now managing the whole building and our tenants are;

- Mental Welfare Commission (MWC)
- Children's Hearings Scotland (CHS) *New from April 2019*
- Commissioner for Ethical Standards in Public Life in Scotland (CESPLS)
- Judicial Appointments Board for Scotland (JABS)
- Scottish Boundaries Commission (Boundaries)
- British-Irish Council (BIC)
- Scottish Government hot desking area (SG)

The current breakdown of space within the building is detailed below.

|              | m2             | %              |
|--------------|----------------|----------------|
| SLAB & SCL   | 1,830.2        | 51.19%         |
| Shared space | 322.1          | 9.01%          |
| MWC          | 371.7          | 10.40%         |
| CHS          | 304.3          | 8.51%          |
| CESPLS       | 231.5          | 6.48%          |
| JABS         | 187.4          | 5.24%          |
| Boundaries   | 116.6          | 3.26%          |
| CLAO         | 100.0          | 2.80%          |
| BIC          | 93.0           | 2.60%          |
| SG           | 18.0           | 0.50%          |
| Vacant       | 0.0            | 0.00%          |
| <b>TOTAL</b> | <b>3,574.8</b> | <b>100.00%</b> |

As previously stated we have been working with the Mental Welfare Commission (MWC), SFT and SG Property Control to redesign the 3<sup>rd</sup> floor and reduce MWC space and costs. This resulted in Children's Hearings Scotland (CHS) being identified as an ideal co-occupant. Major refurbishment works, managed by SLAB Facilities Department but paid for by both tenants were carried out in the last quarter of 2018-

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19. The cost of the refit was in excess of £500,000 and it was brought in on time and to budget. In April 2019 CHS were able to relocate from Ladywell House.

The major refurbishments have provided a modern, flexible working environment for both occupants and includes features such as

- Staff using laptops and docking stations with no owned desks
- Phone software removing the need for desk phones
- Sit / stand desks,
- Flexible conference room facilities
- Shared meeting space
- Break out areas, study booths, acoustic meeting pods and breakfast bar workspaces
- Less desks, paper and storage
- And a telephone box for private / personal calls

## **4.2 PDSO Network**

The general approach to the provision of property for PDSO has been to lease office accommodation of a standard similar to that utilised by a typical private practice solicitor firm; however following the recent change in Facilities Management responsibilities the existing and any new accommodation should be of a minimum Corporate standard which should be similar in a number of aspects to our main administration office. Facilities management introduced a programme of work to bring the offices up to that standard.

In identifying new locations and properties when required, we seek to minimise the need to bear costs of refurbishment or reconfiguration; and have generally sought out property with good proximity to the local court. Our search criteria have generally been driven by the need for cellular accommodation in which to meet clients. To maintain a degree of flexibility in our operational requirements, we have generally sought to negotiate leases of five years, with a break point at year three.

The office in Saltmarket, Glasgow have provided a remote base for a small number of SLAB administrative staff. Due to space pressure this is currently suspended.

The office in Kirkwall, Orkney is within Scottish Government accommodation at Tankerness Lane, Kirkwall.

We are currently reviewing all of our PDSO properties in terms of longer term suitability, and if there is a need to source and secure appropriate premises in relation to growth or location expansion, we would review the identified needs against current property holdings, with a view to seeking to maximise space utilisation in current premises at least until a convenient lease break or expiry. This would include the option to utilise existing CLAO offices. If these premises did not have scope for expanded occupation, we would seek to ensure best value from any alternatives, including identifying opportunities to rent premises nearby, or investigating opportunities that landlords may have to swap premises. In respect of new locations we would initially discuss the option of available Scottish Government premises and their suitability before commencing a search for commercial premises.

PDSO Edinburgh business case to relocate next year to more suitable premises (Inc. a 1 year extension to the current premises to accommodate relocation) has now been approved by Scottish Government. This also allows for moving the SCL which was part of the overall business case along with bringing in a new tenant to Thistle House to fill the vacated space by SCL moving. PDSO and CLAO Inverness are due to relocate later this year and we are working with professional advisors to source alternative, joint, property.

## **4.3 CLAO Network**

The general approach to the provision of property for CLAO is almost identical to that for PDSO, i.e. to lease office accommodation of a standard as aforementioned, minimising the need to bear costs of

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refurbishment or reconfiguration; good proximity to the local court and cellular accommodation in which to meet clients. Again CLAO leases are generally five years in length with a three year break point. Similar to PDSO we are undertaking a review of our CLAO property portfolio to establish longer term suitability.

The Edinburgh office is located in Thistle House and is covered by a MOTU agreement. This not only provides the benefit of on-site corporate support but an overall reduction in external costs when compared to the previous private let.

**Applying to both networks** - Following the aforementioned changes in responsibility for facilities management of all properties, all future lease breaks are now managed by the Director of Corporate Services and Accounts and the Facilities Manager, in consultation with the Executive Team for both PDSO and CLAO.

#### **4.4 Property Maintenance**

SLAB seeks to ensure all of the offices are adequately maintained. SLAB has a rolling planned programme of maintenance and redecoration to:

- meet the needs of the properties;
- fulfil all lease requirements;
- meet all Health and Safety and other statutory requirements; and
- avoid the need for extensive refurbishment at the expiry of the lease.

Internal Audit conducted a review of Health & Safety Management as part of their 2018/19 Internal Audit Activity Plan. They concluded that overall for annual assurance purposes, internal controls governing Health and Safety are satisfactory.

#### **4.5 Sustainability**

SLAB has a Carbon Management Plan which targets its asset use. This plan was produced in conjunction with the Carbon Trust, Resource Efficient Scotland, Keep Scotland Beautiful and the Sustainable Scotland Network. In November 2016 the Board approved the new Carbon Management Plan that sets out how we aim to meet reductions in SLAB's carbon emissions by 2022. This superseded the plan that had been in place since 2012 covering Drumsheugh Gardens.

Specifically, the plan cites SLAB's aims as to:

- Continually improve the energy efficiency of our premises, so as to reduce both energy consumption and emissions.
- Focus on waste minimisation by introducing techniques to recover and re-use office materials.
- Work with suppliers to eliminate packaging, materials and components which generate waste.
- Manage the disposal of waste to minimise environmental harm.
- Inform and educate all our employees on environmental issues relevant to SLAB.
- Continually improve our environmental standards, by setting objectives and targets and reviewing them annually.
- Allocate environmental responsibility at Director and Management level.

As part of an ongoing review of environmental management, we reviewed the work done so far to ensure our approach and measurements are in line with current practices and ensure that, in future, our approach is consistent with our obligations under the recently enacted Climate Change (Scotland) Act 2009.



SLAB is looking at ways to reduce the environmental impact of the legal services we fund. We continue to work with justice partners, notably the Scottish Courts Service and Scottish Prison Service, to make video conferencing more accessible for legal agents and their clients.

To encourage staff to travel to work using active transport, we have introduced a salary sacrifice scheme to support cycling to work. Staff can give up part of their salary in exchange for a bike and certain accessories, to be used for commuting and/or travelling between workplaces. This is in addition to the scheme we already have in place to enable staff to purchase annual season tickets with an advance for travel to work on public transport.

We will ensure that property related procurement is aligned with our obligations to develop a Sustainable Procurement Action Plan.

Under the Nature Conservation (Scotland) Act 2004 all public bodies have a responsibility to further the conservation of biodiversity. The size and nature of SLAB's estate means that opportunities to contribute to biodiversity are limited; however we will look at options with staff later this year to see what can be achieved beyond the very limited boundaries of our own premises.

A new baseline was created in Thistle House covering the period April 2015 to March 2016.

In November 2018 we made our third annual submission in line with the Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015 which requires all public bodies classified as major players to publish annual climate change reports. For the reporting year 2017/18 there were 180 public bodies classified as major players.

#### SLAB Emissions

| Emission Source                     | Scope | Emissions<br>Baseline 2015-16<br>(tCO <sub>2</sub> e) | Emissions<br>2017-18<br>(tCO <sub>2</sub> e) |
|-------------------------------------|-------|-------------------------------------------------------|----------------------------------------------|
| Electricity (generation)            | 2     | 248.8                                                 | 165.5                                        |
| Natural Gas                         | 1     | 125.6                                                 | 105.9                                        |
| Electricity (trans. & dist. losses) | 3     | 20.5                                                  | 15.5                                         |
| Car - petrol (Medium car)           | 3     | 15.2                                                  | 8.7                                          |
| Car - Hybrid - (Medium)             | 1     | 4.3                                                   | 3.6                                          |
| Domestic flight                     | 3     | 3.8                                                   | 5.1                                          |
| Refuse to Landfill                  | 3     | 2.5                                                   | 2.7                                          |
| Rail                                | 3     | 1.7                                                   | 1.6                                          |
| Water - Treatment                   | 3     | 1.4                                                   | 1.3                                          |
| Water - Supply                      | 3     | 0.7                                                   | 0.6                                          |
| Short-haul flights                  | 3     | 0.6                                                   | 0.0                                          |
| Paper/Board recycling               | 3     | 0.4                                                   | 0.4                                          |
| Taxi (black Cab)                    | 3     | 0.3                                                   | 0.2                                          |
| Batteries Recycling                 | 3     | 0.1                                                   | 0.0                                          |
| <b>TOTAL</b>                        |       | <b>425.9</b>                                          | <b>315.29*</b>                               |

#### Breakdown of SLAB's baseline carbon footprint by carbon emission sources

\*4.19 tonnes of CO<sub>2</sub>e came from other sources

Our aim is that by 2022, SLAB will have reduced its carbon emissions by 10% on a baseline of 2015. This equates to a figure of 42.6 tonnes CO<sub>2</sub>e in 2015. Emissions recorded in 2017-18 demonstrate that we

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are currently 110 tonnes of CO<sub>2</sub>e or 26% below the baseline per annum and are therefore achieving the target.

*Internal Audit conducted a review of Climate Change Reporting as part of our 2018/19 Internal Audit Activity Plan. They concluded that overall for annual assurance purposes, the internal controls governing Climate Change Reporting are satisfactory.*

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## 5. Roles and Responsibilities

SLAB is a Non-Departmental Public Body sponsored by the Scottish Government. The Board meets regularly and monitors operational and financial performance and considers the plans and strategic direction of SLAB.

The Chief Executive and Accountable Officer leads a Leadership Team made up of the directors responsible for the operational and administrative functions of SLAB. Within the Leadership Team, the Director of Corporate Services and Accounts has responsibility for property matters, which are managed on a day to day basis by a Facilities Manager, a property management professional, who deals with all property matters.

In line with the requirements of the Scottish Public Finance Manual, which include an options appraisal covering public estate options looking at Smarter Workplace principles in terms of space use and potential for co-location, all property purchases or leases must be approved at their inception or on renewal by the Cabinet Secretary for Finance, Economy and Fair Work. SLAB's Director of Corporate Services is responsible for liaising with the Sponsor Division to secure the support of the Cabinet Secretary for Justice (on the basis of a properly constructed business plan) to recommend approval to the Cabinet Secretary for Finance, Economy and Fair Work.

Leases are signed by the Chief Executive on the basis of advice from the Director of Corporate Services and Accounts that:

- the business case is sound and that the lease represents best value, including in terms of the level of risk over property condition and dilapidation;
- the appropriate approvals have been gained from the Scottish Government;
- legal advice has been obtained that indicates that the terms and conditions of the lease seem appropriate, that appropriate property searches have been undertaken and that no unreasonable burdens exist over the property.

Long term planning is the responsibility of the Chief Executive, with the Accommodation Plan agreed by the Board, supported by his Directors and implementation undertaken by the Facilities Manager.

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## 6. Review and Challenge

A new and relatively modern open plan office (main administration office) gives us the opportunity to challenge the way we work. No longer constrained by cellular offices and the limitations imposed by Georgian townhouses we have been able to model the workplace to suit our needs both now and in the future. New technologies already in place in Thistle House will be examined and expanded upon where successful and we will use our knowledge gained to bring our own best practice to fruition.

We continue to work closely with Scottish Government Property Department who have been very supportive of our move to Thistle House, and have ongoing dialogue with the Scottish Futures Trust, (SFT).

The Scottish Futures Trust (SFT) is an independent company, established by the Scottish Government with a responsibility for delivering value for money across public sector infrastructure investment. SFT operates at arm's length from the Government but works closely with the public sector to seek and deliver improved value for taxpayers. Scottish Government set SFT a challenging financial target of achieving between £500m and £750m of savings and benefits during their 2014 - 2019 Corporate Plan period. SFT reported in their 2017/18 Annual Report that they had secured £139m of benefits. With 2017/18 being the penultimate year of this five-year Corporate Plan, the value of savings achieved to date has already reached £558m.

SFT has a team of 70 professionals working to increase the efficiency and effectiveness of infrastructure investment in Scotland. The team, drawn from public and private sector backgrounds, have a range of technical, legal and financial skills, and bring extensive commercial expertise in infrastructure financing, procurement and delivery into the public sector. It is important to recognise the level of influence and input to Scottish Government that SFT has in respect of property asset management.

**Smarter Working** - The Way We Work (TW3 for short) is a Cabinet Office led cross-departmental programme designed to help realise the Civil Service Reform Plan's aim of 'Creating a decent working environment for all staff, with modern workplaces enabling flexible working, substantially improving IT tools and streamlining security requirements to be less burdensome for staff'.

All Government departments have now started **Smarter Working** strategies co-ordinated through the TW3 programme: a game changer for Civil Service Reform. This also impacts across all NDPBs, including SLAB.

This also corresponds with the new Scottish Government Estate Strategy where the Smarter Workplaces Programme, where the Property Division and the Scottish Futures Trust will support Scottish Government and its public body network to deliver the Estate Strategy through the following:

- **Engagement.**  
Work with organisations on the emerging strategic opportunities to deliver a more efficient estate.
- **Smart Working.**  
Continue to share best practice in how the workplace can enable changing ways of working and support staff wellbeing.
- **Data.**  
Identify an approach which supports the efficient collection of estates data and will support organisations with their estate management planning.
- **Estates and Facilities Management.**  
Identify a more collaborative way of managing our estate, seeking out opportunities to pilot a new approach.

Our Facilities Manager, who is a member of the British Institute of Facilities Management (BIFM), continues to use their resources which include site visits to other organisations.

| TASK                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | PRIMARY RESPONSIBILITY                                                              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Property need identified - either from Asset Management Strategy or as a new or emerging need (including need for additional space, lease break, lease termination etc).</li> </ul>                                                                                                                                                                                                                                                                                 | Client/Facilities Manager                                                           |
| <ul style="list-style-type: none"> <li>Property specification developed.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                        | Client/Facilities Manager                                                           |
| <ul style="list-style-type: none"> <li>Through the SG Estate Strategy 'Property Controls' arrangement in place make early contact with the Property Controls team either through Property Division or Smarter Workplaces.</li> </ul>                                                                                                                                                                                                                                                                       | Facilities Manager/Director of Corporate Services and Accounts                      |
| <ul style="list-style-type: none"> <li>Property sourcing undertaken.               <ul style="list-style-type: none"> <li>Consult with the SG Property Controls team about availability of other government accommodation.</li> <li>Consult with wider Public Sector (e.g. Local Authorities) about availability of accommodation.</li> <li>Failing which, search open property market for available accommodation.</li> </ul> </li> </ul>                                                                 | Facilities Manager                                                                  |
| <ul style="list-style-type: none"> <li>Develop options appraisal               <ul style="list-style-type: none"> <li>Financial appraisal of options on a net present value basis.</li> <li>Non-Financial appraisal to assess degree of fit with property specification and to identify non-financial benefits/dis-benefits.</li> <li>Identify recommended course of action.</li> <li>Appoint legal representation and develop / draft / review the lease for the preferred option.</li> </ul> </li> </ul> | Facilities Manager/Finance / Legal Representative                                   |
| <ul style="list-style-type: none"> <li>Options appraisal presented to Executive team, with a view to approval of recommendation.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                | Client/ Facilities Manager/ Finance/ Director of Corporate Services and Accounts    |
| <ul style="list-style-type: none"> <li>Present a business case to the sponsor team and liaise over securing from the Justice Secretary/Cabinet Secretary for Finance, Economy and Fair Work approval.</li> </ul>                                                                                                                                                                                                                                                                                           | Facilities Manager/Director of Corporate Services and Accounts                      |
| <ul style="list-style-type: none"> <li>Negotiate lease with landlord.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                           | Facilities Manager/Legal Representative/Director of Corporate Services and Accounts |
| <ul style="list-style-type: none"> <li>SLAB responsible officer / Chief Executive to sign lease after:               <ul style="list-style-type: none"> <li>Executive team to advise on a course of action.</li> <li>Legal clearance of lease.</li> <li>Legal clearance of property searches.</li> <li>Intimation from sponsor division of Finance Secretary approval</li> </ul> </li> </ul>                                                                                                               | SLAB responsible officer / Chief Executive                                          |

## Full Cost Tables By Year

## Appendix 2

| 2014-15                         | SLAB<br>£000 | PDSO<br>£000 | CLAO<br>£000 | SCL<br>£000 |
|---------------------------------|--------------|--------------|--------------|-------------|
| Rent                            | 590          | 71           | 93           | 13          |
| Rent recovery from sub-let      | (367)        | (11)         | -            | -           |
| Rates                           | 483          | 18           | 26           | -           |
| Heat & light                    | 98           | 16           | 11           | -           |
| Maintenance and repairs         | 108          | 11           | 7            | -           |
| Cleaning and office Consumables | 140          | 26           | 13           | -           |
| Other                           | 7            | -            | 21           | -           |
| <b>TOTAL</b>                    | <b>1059</b>  | <b>132</b>   | <b>171</b>   | <b>13</b>   |

| 2015-16                         | SLAB<br>£000 | PDSO<br>£000 | CLAO<br>£000 | SCL<br>£000 |
|---------------------------------|--------------|--------------|--------------|-------------|
| Rent                            | 5            | 70           | 73           | 9           |
| Rent recovery from sub-let      | (360)        | (8)          | -            | -           |
| Rates                           | 335          | 20           | 23           | -           |
| Heat & light                    | 96           | 10           | 8            | -           |
| Maintenance and repairs         | 117          | 18           | 8            | -           |
| Cleaning and office Consumables | 96           | 23           | 16           | -           |
| Other                           | 7            | -            | 53           | -           |
| <b>TOTAL</b>                    | <b>296</b>   | <b>133</b>   | <b>183</b>   | <b>9</b>    |

| 2016-17                         | SLAB<br>£000 | PDSO<br>£000 | CLAO<br>£000 | SCL<br>£000 |
|---------------------------------|--------------|--------------|--------------|-------------|
| Rent                            | -            | 71           | 79           | 10          |
| Rent recovery from sub-let      | (419)        | (10)         | -            | -           |
| Rates                           | 367          | 21           | 20           | -           |
| Heat & light                    | 97           | 12           | 13           | -           |
| Maintenance and repairs         | 140          | 27           | 4            | -           |
| Cleaning and office Consumables | 94           | 24           | 13           | -           |
| Other                           | 7            | 2            | 1            | -           |
| <b>TOTAL</b>                    | <b>286</b>   | <b>147</b>   | <b>130</b>   | <b>10</b>   |

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| 2017-18                         | SLAB<br>£000 | PDSO<br>£000 | CLAO<br>£000 | SCL<br>£000 |
|---------------------------------|--------------|--------------|--------------|-------------|
| Rent                            | -            | 79           | 83           | 10          |
| Rent recovery from sub-let      | (425)        | -            | -            | -           |
| Rates                           | 384          | 24           | 20           | -           |
| Heat & light                    | 70           | 12           | 9            | -           |
| Maintenance and repairs         | 334*         | 22           | 8            | -           |
| Cleaning and office Consumables | 94           | 28           | 12           | -           |
| Other                           | 7            | 3            | 1            | -           |
| <b>TOTAL</b>                    | <b>464</b>   | <b>168</b>   | <b>133</b>   | <b>10</b>   |

| 2018-19                         | SLAB<br>£000 | PDSO<br>£000 | CLAO<br>£000 | SCL<br>£000 |
|---------------------------------|--------------|--------------|--------------|-------------|
| Rent                            | -            | 68           | 89           | 13          |
| Rent recovery from sub-let      | (499)        | -            | -            | -           |
| Rates                           | 332          | 23           | 15           | -           |
| Heat & light                    | 74           | 13           | 13           | -           |
| Maintenance and repairs         | 362          | 26           | 6            | -           |
| Cleaning and office Consumables | 108          | 28           | 16           | -           |
| Other                           | 9            | 4            | 4            | -           |
| <b>TOTAL</b>                    | <b>386</b>   | <b>162</b>   | <b>143</b>   | <b>13</b>   |