

WEST DUNBARTONSHIRE COUNCIL

Report by Chief Officer – Supply, Distribution and Property

Cultural Committee: 11th February 2022

Subject: Glasgow School of Art – Richmond Street Project

1. Purpose

- 1.1** This report advises members on discussions with the Glasgow School of Art around a proposal to develop a facility at Richmond Street in Clydebank which will provide studio space / incubator facilities and seeks approval to commit funding to the project subject to the successful negotiation of a Minute of Agreement between the Council and the Art School.

2. Recommendations

- 2.1** The Committee is requested to:

- note the contents of this report;
- approve in principle the disposal of the facility at Richmond Street by lease to the Art School subject to the final proposal meeting the requirements for disposal of land at less than market value;
- approve the commitment of £500,000 from the Cultural Capital Fund (the Heritage Capital Fund) to the creation of studios and workspaces, subject to appropriate legal and financial due diligence and a Minute of Agreement on terms acceptable to both parties being entered into; and
- agree that relevant officers, in consultation with the Convenor of Cultural Committee, negotiate the full terms and remit of the project with a report being submitted to a future Committee for final approval.

3. Background

- 3.1** Members will recall that the Minute of the meeting of the Cultural Committee on the 27th January 2020 noted that an item entitled “Richmond Street Premises” would be carried forward to a future committee.
- 3.2** This item related to a project which had been initiated through discussions between the Convenor of the Committee and representatives of the Glasgow School of Art and related a disused site which the Council owns at Richmond Street, Clydebank (see annexed plan).

- 3.3 The site itself is part of the Council's non operational property portfolio but has been disused since 2016.
- 3.4 Since January 2020 discussions have been proceeding with the Art School, Council Officers and the Convenor with a view to developing a vision for the facility which would address not only the desire to create an artistic hub within West Dunbartonshire, but would in turn have the opportunity to improve economic opportunities and health outcomes through a variety of engagements in the wider community. These delays have been delayed by the impact of the pandemic however circumstances are such that both parties are now in a position to progress.
- 3.5 In 2021 the Chief Executive of West Dunbartonshire Council and the Chair of the Academic Council of Glasgow School of Art agreed terms of a Memorandum of Understanding – seeking opportunities to work together on a range of outcomes focussed on the redevelopment of the Richmond Street premises. While this agreement did not bind any party to a specific action, it provided a statement of intent to look for opportunities to co-operate on a project centred around Richmond Street.

4. Main Issues

- 4.1 With the agreement in principle established there is now the opportunity to begin to progress to develop concrete proposals around the first stage of the project; the physical redevelopment of the Richmond Street Site.

The Art School have broadly identified the aims of what they term the “Impact Lab” project as:-

- To provide and equip a site where students and graduates of Glasgow School of Art Innovation School may be offered working accommodation (studio), while undertaking projects in the West Dunbartonshire area;
- To provide opportunities for graduate employability, business start-up and incubation within West Dunbartonshire through collaborative working and creative engagement;
- To develop new ways of working, create innovation and service delivery for the long-term interests of the wider community of Clydebank and West Dunbartonshire and beyond;
- To identify opportunities for collaborative working with the local Health and Social Care Partnership through specific project activity;
- To identify, evaluate and disseminate emergent approaches to value creation, social enterprise and collaborative working through academic research and publication.

Subject to Committee approval, officers will, along with the Art School, seek to refine the proposal to address the Council's Cultural and wider service objectives including in particular wellbeing and mental health objectives.

- 4.2 Understandably, as with any academic body, there is a reluctance to acquire premises for an untried and as yet unproven project which may ultimately

prove to be a long term burden on limited estates resources. Similarly for the Council, it would wish to ensure that any premises which it provides for a purpose are utilised and do not slip into disuse. Accordingly it has been determined that rather than dispose of the premises by sale, it would be appropriate to proceed by way of a lease for an initial period of five years with an option to extend for another period of 5 years. Thereafter the arrangement may either continue on the same or amended terms, or the premises may be used for another purpose.

4.3 In order to bring the current yard and derelict buildings into productive use it will be necessary to expend capital funds on the creation of studio and supporting spaces. The proposal is therefore to earmark £500,000 of the Cultural Capital Fund for this purpose with the sums being likely to be expended in 2022/23 and possibly 2023/24. These details will require to be confirmed but it will be necessary to make some initial commitment to the Art School to fund works in order for them to be able to apply staff and other resources and to begin to formulate a business plan. Accordingly if the recommendations were approved, it would be intended that the Council would write to the Art School to confirm this commitment in principle subject to the Legal and Financial hurdles referred to in the following paragraphs being addressed and subject to the terms of a Minute of Agreement and Lease being successfully negotiated.

4.4 As noted above, the project remains at an early stage of development and it is anticipated that as the details are developed a number of challenges will require to be addressed. Some of those identified to date are:-

4.4.1 The lease, although not a full disposal of land for sale will still need to meet the criteria for a "Proposal To Dispose Of Land For Less Than Best Consideration That Can Reasonably Be Obtained" in terms of the Disposal of Land by Local Authorities (Scotland) Regulations 2010. As such the Council would require to consider whether the project contributes sufficiently to one or more of Those purposes are the promotion or improvement of—

(a) economic development or regeneration;

(b) health;

(c) social well-being; or

(d) environmental well-being.

Initial observations are that the project has the potential to meet a number of these criteria but this will be assessed further when the final scope of the project has been established and outcomes agreed.

4.4.2 While the disposal by lease means that property remains in the Council's ownership, the Council will require to consider whether the project would be caught by Subsidy Control (formerly State Aid) rules. Again, as the project

develops, it is anticipated that the position around Subsidy Control will crystallise and the project will be able to be adapted to avoid any detrimental impact. Nevertheless it is worth noting that in addressing these issues the risk position for both parties may ultimately make the project challenging or even untenable.

- 4.4.3 Questions of governance remain. Whilst the Art School and the Council are agreed that the Art School will require maximum flexibility to be able to successfully operate the facility and so will not be directly participating in the operation of the facility, it is recognised that the Council has a long term interest in the site and the aims and objectives of the project and so long term governance issues will require to be addressed in any agreement.
- 4.4.4 The revenue model for the operation of the facility will require to be considered. This will include questions of rates and rental of the facility, costs of repair, charges to users and operational expenses. It is not envisaged that that the Council will seek to charge a commercial rental, however depending on the extent of any revenue commitment which the Council subsequently approve, and subject to Subsidy requirements etc., it may be necessary to make a nominal charge to cover costs and it may also be necessary to make a charge to users though this will be primarily for the Art School to assess and to determine. These matters will be covered in subsequent reports to Committee

5. People Implications

- 5.1 There are no people implications arising from this report

6. Financial and Procurement Implications

- 6.1 The only direct financial impact of this report is the commitment of the sum of £500,000 from the Cultural Capital Fund to the project. These sums are not otherwise committed. If agreed a letter confirming the earmarking of such sums would be issued to the Art School to provide assurance as to the commitment of the Council.
- 6.2 Further reports to committee will address the Revenue implications of the project.
- 6.2 Advice and guidance will be sought from the Corporate Procurement Unit, as required, to ensure due process is followed at all stages of the project.

7. Risk Analysis

- 7.1 There is a risk that the issues identified in Paragraph 4.4 cannot be adequately addressed with the project as currently envisaged. It is however anticipated that detailed discussions between the Art School and the Council will identify a means to progress with a viable project which addresses its principal aims and objectives.

8. Equalities Impact Assessment (EIA)

- 8.1** An EIA screening has been completed and no impacts were identified. Once the proposed project has been further developed further Equalities Impact Assessments will be accompany future reports.

9. Consultation

- 9.1** The proposal and this report have been subject to consultation and review by Legal, Corporate Asset Management and Finance Officers. No objections or observations not reflected in the report were raised.

10. Strategic Assessment

- 10.1** The proposals within this report contributes to the development of a strong local economy and improved employment opportunities.

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Appendices:	Plan of Richmond Street Premises.
Background Papers:	Minute of Cultural Services Committee on 27th January 2020. EIA Screening
Wards Affected:	All