

**PERTH AND KINROSS COUNCIL****18 November 2015****Perth Office Programme****Report by Depute Chief Executive  
(Sustainability, Strategic and Entrepreneurial Development)**

This report provides an update on progress with the Perth Office Programme. The report advises Council on the delivery of the approved refurbishment of 2 High Street and sets out options for the location of the Council Chambers. The report also considers the possible future role of the Council's offices at 1-5 High Street in the context of the Corporate Property Asset Management Review approved as part of the Council's Transformation Strategy.

**1. BACKGROUND / MAIN ISSUES**

- 1.1 The Council has previously approved the Perth Office Programme. The key objectives of the programme are to:
- reduce operating and property costs through reducing the Council's office accommodation footprint in Perth City.
  - invest in the maintenance; refurbishment and modernisation of Council owned property through savings generated from a phased withdrawal from leased accommodation.
  - create a modern, flexible and efficient working environment for the current and future delivery of public services.
- 1.2 The Perth Office Programme is now set in the context of the broader Corporate Property Asset Management Review contained within the Council's Transformation Strategy 2015-2020 "Building Ambition" as approved by the Council on 1 July 2015 (Report 15/292 refers).
- 1.3 The objectives of the Perth Office Programme are further supported by a number of complementary transformation reviews aimed at modernising and realising efficiencies in the work environment and improving and reflecting changes in the way our communities engage with the Council. These include the Mobile Working Review; the Corporate Digital Services and My Account Review; the Review of Administrative Support Services and the Review of Electronic Document Management.

- 1.4 The Perth Office Programme will result in a 20% reduction in the Council's office floor space in Perth City by February 2017 through a phased withdrawal from leased accommodation. Refurbishment and enabling works have been completed or are progressing on the following retained properties to improve their utilisation:

Property	Status	Scope of Works	Progress
2 High Street	Owned	Full Refurbishment	Commenced January 2015 Target Dates: Works Complete: August 2016 Building Occupied: October 2016
Carpenter House	Owned	Full Refurbishment	Complete: August 2014
Pullar House	Leased (PFI) Lease expires September 2025	Improvements to layout and welfare facilities	Complete: October 2015

- 1.5 Changes in workstyles and greater use of electronic document storage are key drivers in moving towards more efficient and flexible use of the Council's office accommodation. Shared workstation arrangements were introduced in 2014 for employees spending less than 60% of their time at a fixed location and this is being rolled out across the office estate. Progress to date is summarised in the following table:

Property	Previous Occupancy Levels (FTE)	Current Occupancy Levels (FTE)	% Change	% of Employees Working Flexibly (1)
Pullar House	810	1,074	32.6%	39%
Carpenter House	60	85	41.7%	20%

Note 1: Percentage of employees who share a workstation

- 1.6 In October 2014, the Council approved a revised budget of £9.6 million for the refurbishment of the Council's headquarters building at 2 High Street, Perth. The scope of works approved by Council at that time includes:

- full refurbishment of the building plant and infrastructure (electrical wiring; heating systems; fire alarms etc)
- improvements to disabled access to the building
- creation of a second internal stairwell to improve building circulation and fire safety
- move to an open plan configuration, wherever practical, to support the increased utilisation of the building

- retention of period features ( notably marble staircase; civic lounge and adjoining meeting room and the provost's office)
- refurbishment of the banking hall and the re-opening of the adjacent High Street entrance to create a flexible space for civic, council and public events.

1.7 The Perth Office Programme is being delivered through a framework contract with Morrison Construction. Work commenced on 2 High Street in January 2015 and is currently progressing in accordance with the project timetable and approved budget. As of October 2015, the strip out of the building (including the removal of residual asbestos material) and the demolition of internal partition walls is largely complete. The next stage is to install new mechanical and electrical systems and create the second internal stairwell in preparation for the fit out of the refurbished office space in a mainly open plan design.

1.8 In approving the scope of works for 2 High Street in October 2014, the Council endorsed a two phase approach. The first phase gave approval for the above improvements with no change, bar essential works, to Floor 4 of the building (Elected Members' offices) and the Council Chambers.

1.9 The Executive Director (Environment) was also remitted with bringing forward proposals for a second phase of works encompassing options for re-visiting the 4<sup>th</sup> floor members accommodation, the location of the Council Chambers and the Council's offices at 1-5 High Street. Recommendations to Council in relation to this second phase of works are set out within this report.

## **2. ELECTED MEMBER OFFICE ACCOMMODATION**

### **Elected Member Office Accommodation**

2.1 It is recognised that Elected Members' requirements for office accommodation will reflect their own workstyles; their home location and ward commitments and their individual Committee and group responsibilities.

2.2 As the re-cant of 2 High Street is scheduled for the autumn of 2016 and local government elections will be held in May 2017, it may be more appropriate that discussion of the future accommodation requirements of Elected Members be deferred until after the election of a new Council. Decisions for any further long term changes to the members accommodation would be a matter for the new Council.

2.3 It is, therefore, recommended that, as far as possible, there is no change at this time to the existing configuration of Elected Member office accommodation.

### **3. OPTIONS FOR THE COUNCIL CHAMBERS**

- 3.1 The Council Chambers serve both a functional and symbolic role as the public forum for undertaking Council business and a projection of the civic pride of Perth & Kinross.
- 3.2 The current location of the Council Chambers on the fourth floor of 2 High Street requires members of the public to progress through the building to attend or participate in public meetings. This presents potential issues in relation to:
- access, particularly for elderly and disabled members of the community
  - building security in relation to unsecured passage between the reception desk and the Chamber.
  - fire safety in relation to managing an evacuation of the building
- 3.3 In order to resolve these significant issues the following options are set out in relation to the location and configuration of the Council Chambers and the associated Elected Member office accommodation.
- 3.4 The relocation of the existing Chambers to the Old Chambers room at 1-5 High Street required to be discounted as it is not possible to accommodate the current 41 Elected Members of the Council; officers and members of the public who may wish to attend a meeting of Full Council in the floor space available in the Old Chambers. The Old Chambers at 1-5 High Street having been designed for the predecessor and smaller burgh Council. This fundamental space constraint, in addition to the issues surrounding disabled access to the Old Chambers together with the upgrades required to 1-5 High Street discussed later within the report mean that relocation to the Old Chambers at 1-5 High Street is not considered a practical option.

#### **Option 1: Retain the Council Chambers on Floor 4 of 2 High Street**

- 3.5 The Council can retain both the existing Council Chambers in its current configuration together with the Committee and meeting rooms and Elected Member accommodation on Floor 4 of 2 High Street. Appendix A to the report illustrates this option in terms of a floor plan for Floor 4.
- 3.6 The retention of the Council Chambers and the associated Committee and meeting rooms in their current location does not, however, improve public access to the decision making of the Council. This option does not provide an opportunity to link the Chambers to the Banking Hall as a second public space nor does it enable more flexible use of Floor 4 as office accommodation.
- 3.7 Aspects of the current refurbishment work, such as the creation of a second internal stairwell; better facilities for disabled users and improved fire safety measures do allow for better management of public access to the building. These do not, however, fully address the inherent limitations of having the Council Chambers located some distance from public access to the building.

- 3.8 This option assumes that the current layout; configuration and furnishing of the Council Chambers on Floor 4 will remain unchanged. As the desking is fixed and the public and officer areas are on different levels, the Council Chambers cannot currently be re-configured to accommodate different meeting styles such as those adopted for the Audit Committee and joint consultative committees with trade unions. It is, therefore, assumed under this option that both the existing Council Committee Room (Room 410) and the further two meeting rooms (Rooms 413 and 415) on Floor 4 will require to be retained.
- 3.9 Retaining the current suite of meeting rooms on Floor 4 addresses the requirement for traditional meeting space but removes the opportunity to create more flexible office accommodation through converting this space to an open plan design. Any later re-location of the Chambers could potentially be more disruptive and expensive if undertaken outwith the current major refurbishment of 2 High Street.
- 3.10 Subject to there being no specific issues in undertaking works on Floor 4, it is anticipated that the cost of retaining the Council Chambers in its existing location can be contained within the refurbishment budget approved by Council in October 2014.

### **Option 2: Relocate the Council Chambers to the Ground Floor of 2 High Street**

- 3.11 The following proposals originate from a consultation workshop held with Elected Members in November 2013 in which attendees expressed concerns over the general layout of 2 High Street; the condition of the Chambers and the link between public and civic spaces within the building.
- 3.12 The refurbishment of the Council's 2 High Street headquarters provides an opportunity to improve public access to the decision making of the Council through relocating the Council Chambers on the Ground Floor. Managing public use of the building on the ground floor also addresses the issues of access and building security outlined above.
- 3.13 The key aspects of this proposal to improve the public's participation experience in the Council's democratic process are:
- relocate the Council Chambers to the North wing of the building adjacent to the High Street (former Human Resources office space).
  - design the Council Chambers as a flexible modern corporate meeting space with moveable furniture to allow for different seating configurations suited to each meeting, supported by appropriate audio visual technology.

- re-locate public access to the building from the corner of High Street / Watergate to the High Street entrance at the Banking Hall. This would remove the need to maintain two staffed reception areas and locate the public reception in the historic and most visually attractive part of the building. It would also link the main public reception area with improvements to disabled access and facilities within the building previously approved as part of the refurbishment of 2 High Street.
- develop the opportunity to use the refurbished Banking Hall, on occasion, as an adjunct to the Council Chamber. For example, the Banking Hall could be used to increase public access to Council meetings in the Chambers through the use of an audio-visual link or as an exhibition space to inform the public on issues of note under discussion by the Council.
- retain a secure staff and Elected Member entrance at the Watergate Vennel and retain the servicing of the building from the ground floor internal courtyard.
- compliment the move of the Council Chambers to the ground floor with any necessary amendments to the streetscape outside of 2 High Street.

- 3.14 Appendices B and C to the report provide a floorplan for and visual representation of the option to relocate the Council Chambers to the ground floor of 2 High Street.
- 3.15 The intention, under this proposal, is to create a modern flexible and more efficient Council Chambers which can easily be re-configured to accommodate all of the formal public meetings of the Council. As flexible public spaces, it is anticipated that the Chambers and Banking Hall could be used together to accommodate a range of internal meetings; training events; public meetings; consultations and exhibitions as well as formal civic events hosted by the Council. This would reduce the current requirement to book external commercial venues to host larger events.
- 3.16 The location of these facilities on the ground floor of 2 High Street would also afford better management arrangements for the use of Council meeting space by partner organisations.
- 3.17 Under this option, the design of the new Council Chambers would require to address potential issues of privacy; noise management and welfare arising from location on the ground floor of the building. The proposal would be to introduce secondary opaque glazing and acoustic treatments to the Council Chamber to address traffic noise and privacy issues together with a flexible lighting solution and air conditioning to address welfare issues.
- 3.18 The option to relocate the Council Chambers would necessitate the loss of potential office accommodation on the ground floor. It is proposed that this would be compensated for through converting the existing Council Chambers and meeting rooms on Floor 4 to open plan accommodation for Council employees.

- 3.19 The arrangements for Elected Members on Floor 4 will be physically separated from the open plan accommodation for Council employees. It is also proposed to retain the Committee Room (Room 410) on Floor 4 as a meeting space for Elected Members and Council employees.
- 3.20 The estimated cost of re-locating the Council Chambers on the ground floor, together with the associated costs of converting the existing Chambers and meeting rooms on Floor 4 to open plan office accommodation is approximately £850,000. This comprises £700,000 for building and enabling works and a provision of £150,000 for appropriate furniture and audio-visual solutions.
- 3.21 The advantages and disadvantages of each option are summarised below:

	<b>Option 1: Retention Of Existing Council Chambers on Floor 4 of 2 High Street</b>	<b>Option 2: Relocation Of Council Chambers to Ground Floor of 2 High Street</b>
Estimated Cost	Subject to building condition, can be contained within existing refurbishment budget.	£850,000
Advantages:	<p>Reuse of existing facilities at minimum cost.</p> <p>Limited intervention and impact on programme delivery</p>	<p>Improved public access to the Council Chamber through location at street level.</p> <p>Improvement in the management of public access to the building including fire safety &amp; security.</p> <p>Creation of a flexible modern Chambers facility which can be adapted to accommodate a range of meetings and events. Potential revenue savings on hire of external venues.</p> <p>More immediate link with Banking Hall as adjunct to the Chambers for Committee meetings and public events.</p> <p>Conversion of existing Chambers facility and meeting rooms into more flexible open plan office accommodation.</p>

	<b>Option 1: Retention Of Existing Council Chambers on Floor 4 of 2 High Street</b>	<b>Option 2: Relocation Of Council Chambers to Ground Floor of 2 High Street</b>
Disadvantages	<p>No improvement in public access to the Council Chamber or to the management of public access to the building.</p> <p>Reduced opportunity to use the Banking Hall as an adjunct to the Council Chambers</p> <p>Retention of inflexible Council Chamber and meeting space.</p> <p>Potential increased cost and disruption from any later re-configuration of the building</p>	<p>Interventions required to address potential issues of traffic noise; privacy and welfare arising from location of Chambers on street level.</p> <p>Conversion works require to be factored into existing programme delivery timescales.</p>

3.22 The relocation of the Council Chambers to the ground floor presents significant benefits in terms of supporting public access to the building together with the opportunity to create a modern flexible meeting space for the Council. Whilst there are additional cost implications in delivering this option, there is an the opportunity to better utilise the space and relocate the Council Chambers as part of the current refurbishment programme at a time when the building is vacant. Any later re-configuration of the Chambers will be more expensive and disruptive.

3.23 It is, therefore, recommended that the Council approve the relocation of the Council Chambers to the ground floor of 2 High Street together with the associated re-configuration works to Floor 4 at an estimated cost of £850,000 as set out in Option 2 above.

3.24 The option to relocate the Council Chambers to the ground floor of 2 High Street will require to be factored into the existing refurbishment programme for the building. It is not, however, anticipated that this will significantly impact upon the proposed timetable for reoccupying 2 High Street by the end of October 2016.

#### **4. REFURBISHMENT OF 2 HIGH STREET**

4.1 As approved by Council in October 2014, the refurbishment of 2 High Street is based upon the conversion of as much of the building as possible to an open plan workspace to increase the building utilisation.

4.2 Design features include:

- the in-fill of the previous atrium space to maximise the amount of useable floor space



- improvements to disabled access and facilities for disabled users of the building.
  - changes to the internal layout to increase natural light levels and create a better environment for visitors and users of the building.
  - improvements to circulation and fire safety within the building through the installation of new alarms and the removal of narrow legacy stairwells
  - improvements to the energy efficiency of the building including a new heating system; replacement glazing and insulation together with the installation of photovoltaic panels to help manage future operating costs.
  - IT facilities appropriate to a modern public building including access to Wi-Fi, wherever possible, and audio visual solutions integrated into meeting space.
  - the provision of meeting space throughout the building with two formal meeting rooms located on each floor for floors 1, 2, and 3 of the building, with capacities for 12-14 attendees.
- 4.3 Improvements will be made to employee welfare facilities through the creation of kitchen hubs; booth seating and break-out areas on each floor of the building. The installation of similar facilities in the Council's Pullar House office has been successful both in addressing employee welfare and also in creating informal meeting space for individual and team working.
- 4.4 The Perth Office Programme is structured around Pullar House remaining as the key point of access for the public to Council services within Perth City and 2 High Street serving as a headquarters building for the Council's democratic and civic functions.
- 4.5 The Services and functions located at 2 High Street will, therefore, require to reflect the respective roles of each building. In addition to the Provost and Elected Members, the Chief Executive and senior management team and the Council's Democratic Services and civic teams will require to be located at 2 High Street.
- 4.6 The full compliment of Council Services to be located at 2 High Street will be considered as part of the detailed space planning for the building and will take account of the interaction between Council Services and their interface with the public; Elected Members and partner organisations.
- 4.7 The building will be configured using a mixture of existing and, where necessary, new furniture and equipment to improve space planning within the building and provide an appropriate modern workplace.
- 4.8 Consideration will be given to any necessary amendments to the streetscape; traffic management and public transport arrangements outside of 2 High Street resulting from the refurbishment of the building and the associated improvements to disabled access. The Depute Chief Executive (Sustainability, Strategic and Entrepreneurial Development) will report on any necessary approvals to the Enterprise & Infrastructure Committee. As part of planned maintenance works which were in development for the bottom of the High Street it is anticipated that the cost can be contained within the existing roads structural maintenance budget.

## **5. OPTIONS FOR 1-5 HIGH STREET**

- 5.1 The Council offices at 1-5 High Street originally date from 1879 and were extended in the 1930s. The building complex is Category B listed by Historic Environment Scotland and the interior contains several period features, notably the former Council Chambers and the former District Court. These feature both underline the building's historic and civic importance, and present challenges to its redevelopment.
- 5.2 The building comprises a mixture of cellular accommodation of different ages and construction types which could potentially be developed for a range of uses. Its cellular nature with double frontage onto both High Street and Tay Street, with several internal stairwells and street access points indicates that the building would be suitable for subdivision to meet a combination of uses. Part of the complex fronting Tay Street has already been converted to residential use.
- 5.3 Anticipating that the complex could be surplus to Council requirements as a consequence of the Perth Office Programme, the Council instigated a soft marketing exercise to establish likely demand for redevelopment, with a particular view to establishing how it could be developed whilst retaining public access to the historic architectural aspects such as the former Council Chamber, District Court and main entrance foyer/staircase.
- 5.4 Following informal discussions with Scottish Development International, hostel operators and hoteliers, it was concluded that the building was unlikely to be cost effective for conversion for hotel/hostel use without public sector grant assistance. Property consultants were, therefore, commissioned to provide a strategic overview of the complex with particular emphasis on its development and end use potential and whether the Council should consider any pre-marketing selective demolition/adaptation works to stimulate interest. The consultant's concluded that the complex will be a very difficult asset to develop and that a sensitive design incorporating the buildings various historic features would be required.
- 5.5 The buildings constraints are likely to restrict developer interest, limiting enquiries from potential purchasers. The consultants suggested that consideration be given to relocating other Council services to occupy the building, thereby releasing alternative accommodation that may be more appealing to the market. They did not consider that significant demolition works (principally the 1930s extension) should be considered by the Council prior to marketing.
- 5.6 The consultants approached a number of potential operators/tenants and their own in-house Hotel Consultancy team and having gauged potential interest, provided an indicative user profile/development "concept" for the building, If the complex were to be offered for sale, the consultants recommended a comprehensive marketing campaign including targeting specific known enquiries.

- 5.7 The consultants view was that while it might be possible to get some market interest they also concluded that any developer will likely seek significant grant support from public bodies in order to take the building on. Without guaranteed grant assistance and robust sale conditions to prevent any development stalling there is a significant risk that someone could acquire the building and hold it until/if the market improves.
- 5.8 Accepting that there are likely to be significant challenges in marketing 1-5 High Street, it is proposed to retain a watching brief and report back to Council should any developer approach the Council with a proposal for the property.
- 5.9 Taking into account the consultants suggestion that Council services could potentially re-locate to the building and, as a pre-cursor to the Building Ambition Corporate Property Asset Management transformation review, the Head of Property has undertaken a preliminary technical review of options for the Council offices at 1-5 High Street.
- 5.10 This now presents 2 potential options for the Council to consider:

**Option 1: Limited compliance works in order to bring parts of the building back in to use**

- 5.11 Accepting the limitations of the building's current infrastructure, the Council's offices at 1-5 High Street could, however, be brought into greater use through undertaking a limited programme of essential works. Through restricting access to those parts of the building which are not DDA compliant it may be possible, for example, to use some of the ground floor accommodation and the Old Chambers as additional meeting space. This would not address the underlying long term issues in bringing the property up to an appropriate standard but it would deliver more utility from the building as it is currently configured. The building would, however, continue to be inefficient in terms of both space utilisation and energy efficiency.
- 5.12 This option can be viewed as a holding position until the Corporate Property Asset Management transformation review is completed.

**Option 2: Re-furbishment of 1-5 High Street to maximise its usage.**

- 5.13 The main issues which would require to be addressed in fully refurbishing the 1-5 High Street offices are summarised below:
- Upgrade of external and internal access within the building to comply with current Disabled Discrimination Act (DDA) legislation.
  - Replacement and upgrade of electrical; water and sanitary installations.
  - Replacement and upgrade of heating and ventilation systems and IT infrastructure.
  - Replacement / refurbishment of exterior glazing and internal fittings and décor.

- 5.14 The initial cost estimate for undertaking a full refurbishment of the 1-5 High Street office is £3.3 million at current prices. Details of this estimate, which has been reviewed by external consultants, are attached at Appendix D to the report. The cost estimate reflects both the scope of work required and the additional costs associated with a sympathetic refurbishment of a historic building. The Council itself may be eligible for some grant support from Historic Environment Scotland.
- 5.15 It should be noted that Historic Environment Scotland have recently given significant grant funding to both Highland council and West Dunbartonshire Council for the conversion of historic buildings to civic offices.
- 5.16 Appendix E to the report provides a Floor Plan for the 1-5 High Street building to illustrate its potential use as office accommodation. The layout is cellular as is typical of a building of this period, although the building could be re-configured within the restrictions of its listing by Historic Environment Scotland.
- 5.17 No detailed space planning exercise has been undertaken for a refurbished 1-5 High Street but an initial survey suggests that 100 workstations could potentially be accommodated within the revised floor plan. How this translates into occupancy levels would, as with all the Council's offices, be dependent upon the nature and business needs of the Services located within the building.
- 5.18 As recognised through the Council's Building Ambition Transformation Programme, the nature of public sector service delivery and the use of property assets in supporting service delivery will continue to change. An opportunity, therefore, exists to develop the scope of the Perth Office Programme, as part of the broader Corporate Property Asset Management Review, to look at the potential for supporting future investment in 1-5 High Street through the further rationalisation of the Council's use of leased accommodation.
- 5.19 In light of the above, it is recommended that the potential role of 1-5 High Street in future service delivery be assessed and reported through the Corporate Property Asset Management Review as part of the consideration of the Council's remaining office accommodation in Perth City.
- 5.20 In the interim, it is recommended that the Head of Property Services be remitted with developing options for a restricted increase in the use of 1-5 High Street to the extent that this can be resourced from within the existing Property Maintenance budget.

## **6. RESOURCE IMPLICATIONS**

- 6.1 The resource implications arising from the recommendations within the report are summarised below and in the annex to the report.

## **Re-location of the Council Chambers**

- 6.2 The £850,000 additional cost of the recommendation to relocate the Council Chamber to the ground floor of 2 High Street will be met through additional prudential borrowing.
- 6.3 The annual revenue cost of supporting this additional borrowing is estimated, at £60,000 and will be funded from the net savings generated through the Perth Office Programme.

## **Streetscape Works Around 2 High Street**

- 6.4 The cost of any necessary amendments to the streetscape or traffic management arrangements will be met from within the roads structural maintenance budget.

## **1-5 High Street Offices**

- 6.5 The cost of any minor works to support the increased use of the Council's 1-5 High Street Offices will require to be met from, and therefore limited by, the level of expenditure which can be resourced from the existing Property Maintenance budget.

## **7. CONCLUSION AND RECOMMENDATIONS**

- 7.1 The report provides an update on progress with the delivery of the Perth Office Programme and sets out options for a second phase of works including recommendations in relation to Elected Member accommodation; the location of the Council Chambers and the Council's offices at 1-5 High Street
- 7.2 The Council is requested to:
- i. Note the contents of the report.
  - ii. Approve the recommendation to make no change at this time to Elected Member accommodation on Floor 4 of 2 High Street with the exception of essential maintenance works, as set out in paragraphs 2.1 to 2.3 of the report.
  - iii. Approve the recommendation to relocate the Council Chambers from Floor 4 to the ground floor of 2 High Street together with associated works to Floor 4 of the building at an estimated additional cost of £850,000 as set out in paragraphs 3.11 to 3.24 and Appendices B and C to the report.
  - iv. Note the outcome of the preliminary technical review into the refurbishment of the Council's 1-5 High Street offices at an estimated cost of £3.3 million at current prices, as set out in section 5 and Appendix D.

- v. Approve the recommendation to assess and report upon the potential role of 1-5 High Street in future service delivery as part of the Corporate Property Asset Management Review as set out in paragraph 5.19 of the report.
- vi. Remit the Head of Property Services with developing options for a restricted increase in the use of 1-5 High Street to the extent that this can be resourced from within the existing Property Maintenance budget as set out in paragraph 5.20 of the report.
- vii. Approve the resource implications set out in section 6 and the annex to the report.

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#### Approved

Name	Designation	Date
Jim Valentine	Depute Chief Executive (Sustainability, Strategic and Entrepreneurial Development)	11 November 2015

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## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

<b>Strategic Implications</b>	<b>Yes / None</b>
Community Plan / Single Outcome Agreement	<b>Yes</b>
Corporate Plan	<b>Yes</b>
<b>Resource Implications</b>	
Financial	<b>Yes</b>
Workforce	<b>None</b>
Asset Management (land, property, IST)	<b>Yes</b>
<b>Assessments</b>	
Equality Impact Assessment	<b>Yes</b>
Strategic Environmental Assessment	<b>None</b>
Sustainability (community, economic, environmental)	<b>Yes</b>
Legal and Governance	<b>Yes</b>
Risk	<b>Yes</b>
<b>Consultation</b>	
Internal	<b>Yes</b>
External	<b>None</b>
<b>Communication</b>	
Communications Plan	<b>None</b>

### 1. Strategic Implications

#### Community Plan / Single Outcome Agreement

- 1.1 The report provides an update on progress with the Perth Office Programme which is concerned with ensuring the future resilience and efficient use of the Council's headquarters buildings within Perth City. These strategic assets provide a basis for the delivery of all Council Services and correspondingly support the delivery of all of the priorities within the Perth and Kinross Community Plan; Single Outcome Agreement and Corporate Plan.
- (i) Giving every child the best start in life
  - (ii) Developing educated, responsible and informed citizens
  - (iii) Promoting a prosperous, inclusive and sustainable economy
  - (iv) Supporting people to lead independent, healthy and active lives
  - (v) Creating a safe and sustainable place for future generations
- 1.2 It is considered that the actions contained within this report contribute to all of the above objectives.

## Corporate Plan

- 1.3 The Council's Corporate Plan 2013-2018 outlines the same five objectives as those detailed above in the Community Plan. These objectives provide a clear strategic direction, inform decisions at a Corporate and Service level and shape resource allocation. It is considered that the actions in the report contribute to the objectives as outlined in paragraph 1.1 above.

## **2. Resource Implications**

### Financial

#### Revenue

- 2.1 The report recommends the relocation of the Council Chambers from Floor 4 to the ground floor of 2 High Street together with associated works to Floor 4 of the building at an estimated additional cost of £850,000.
- 2.2 This estimate comprises £700,000 for building and enabling works and a provision of £150,000 for appropriate furniture and audio-visual solutions.
- 2.3 It is proposed that this expenditure be met through incurring £850,000 of additional prudential borrowing. The annual revenue cost of supporting this additional borrowing is estimated at £60,000.
- 2.4 The borrowing costs will be met from the net savings generated through the Perth Office Programme.
- 2.5 The report also recommends a review of options by the Head of Property Services for a restricted increase in the use of 1-5 High Street.
- 2.6 Any minor works to facilitate an increase in the use of 1-5 High Street will be limited by what can be resourced from within the existing Environment Service Revenue budget.

#### Capital

- 2.7 The cost of any necessary amendments to the streetscape or traffic management arrangements surrounding 2 High Street will be met from within the roads structural maintenance budget.

#### Workforce

- 2.8 There are no workforce implications arising from the recommendations contained within the report.



### Asset Management (land, property, IT)

- 2.9 The report provides an update on the Perth Office Programme which will deliver a 20% reduction in the Council's office footprint in Perth City and support investment in the maintenance and future resilience of the office buildings owned by the Council through a phased withdrawal from leased accommodation.

## **3. Assessments**

### Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.
- 3.2 The proposals have been considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome:
- (i) Assessed as **relevant** for the purposes of EqIA.

### Strategic Environmental Assessment

- 3.3 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.
- 3.4 The proposals have been considered under the Act and no further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt.

### Sustainability

- 3.5 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.
- 3.6 The refurbishment of the Council's 2 High Street headquarters supports and is consistent with the Council's obligations under this legislation.

### Legal and Governance

- 3.7 The Head of Finance; the Head of Legal Services and the Head of Democratic Services have been consulted in the preparation of this report.

## Risk

- 3.8 The following risk has been identified as most significant in terms of the recommendations contained within the report:

4.	Risk Description	Consequence	Control / Mitigating Action
	There is a risk that the proposal to relocate the Council Chambers and undertake associated works will impact upon the programme timetable	Delay to the refurbishment of the Council's 2 High Street headquarters and potential impact on Service delivery.	Contractor has been advised of potential changes to the scope of works and this has provisionally been factored into the works programme.  Lease termination date for the interim headquarters at the Atrium is December 2016, two months after the target date for reoccupancy of 2 High Street in October 2016, providing some capacity for programme slippage

## **Consultation**

### Internal

- 4.1 Two consultation sessions were arranged to which all elected members of the Council were invited. The feedback from these sessions has been reflected in finalising the report.
- 4.2 The Chief Executive and Depute Chief Executives were consulted in the preparation of this report.

## **2. BACKGROUND PAPERS**

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

## **3. APPENDICES**

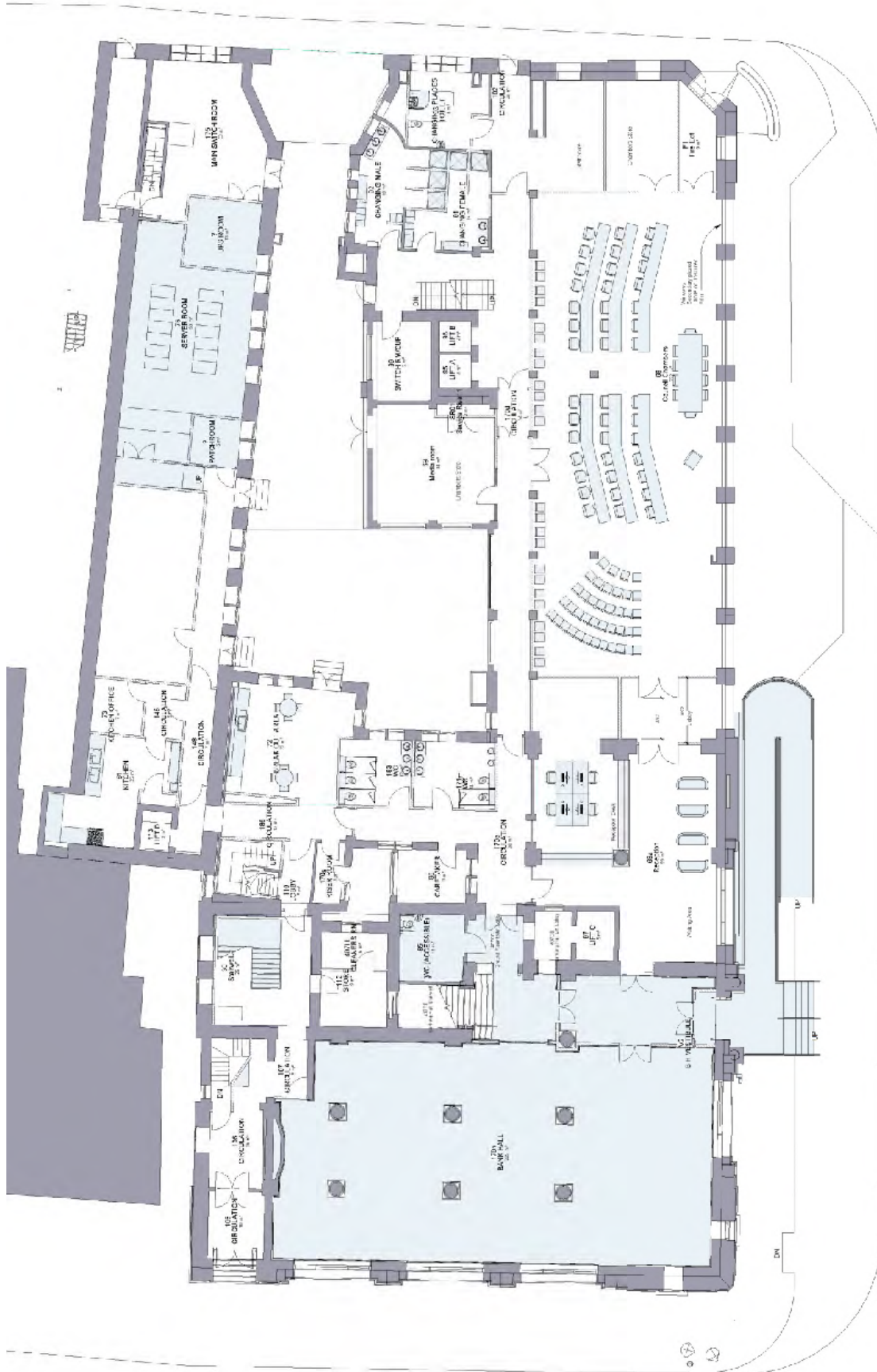
Appendix A – 2 High Street Floor Plan: Floor 4 - Existing Layout  
Appendix B – 2 High Street Floor Plan: Floor 1 – Proposed relocation of Council Chambers  
Appendix C – 1 High Street Isometric View of Proposed Council Chambers  
Appendix D – 1-5 High Street: Estimated Cost of Refurbishment  
Appendix E – 1-5 High Street Floor Plans

APPENDIX A

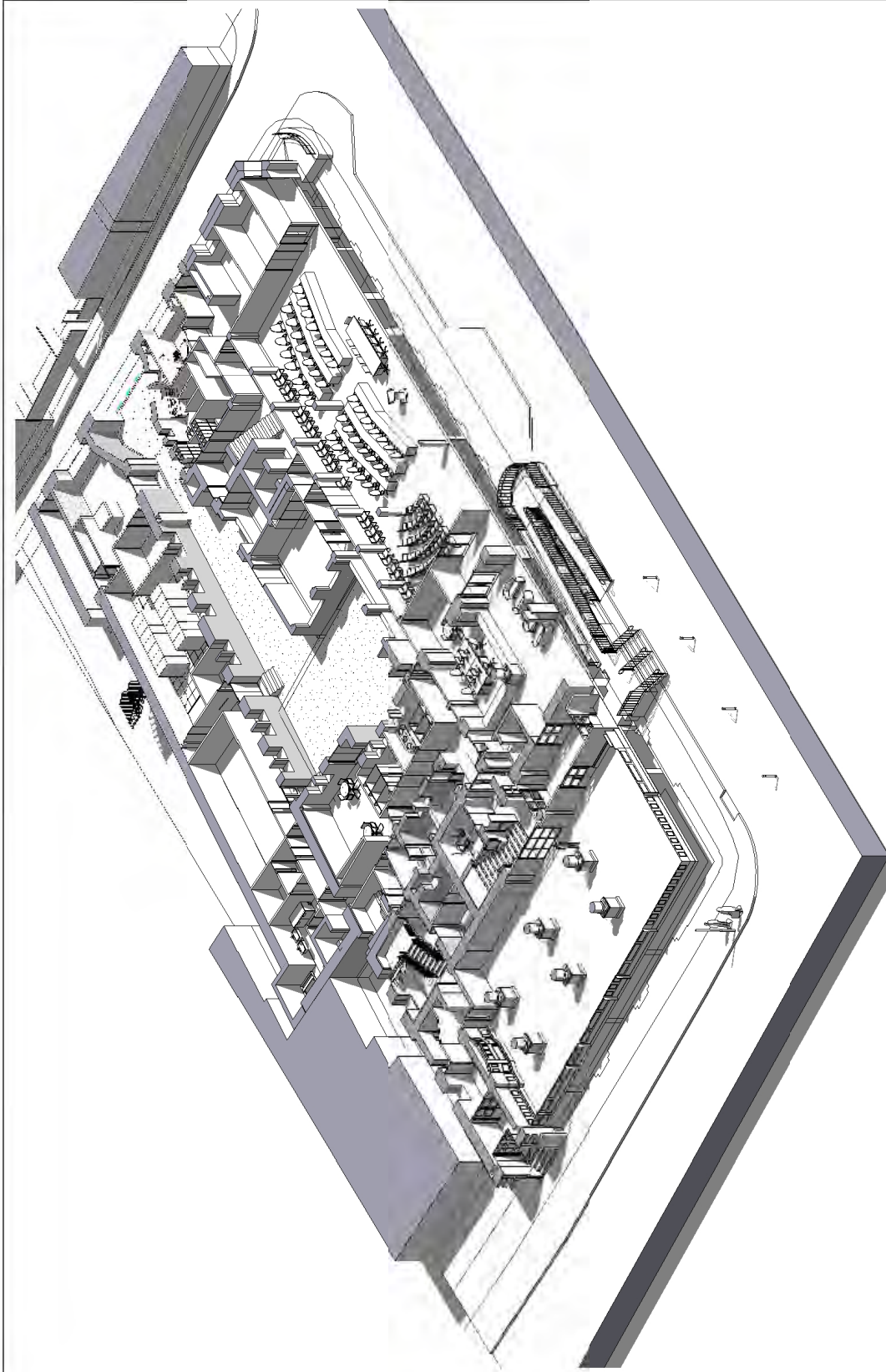




APPENDIX B







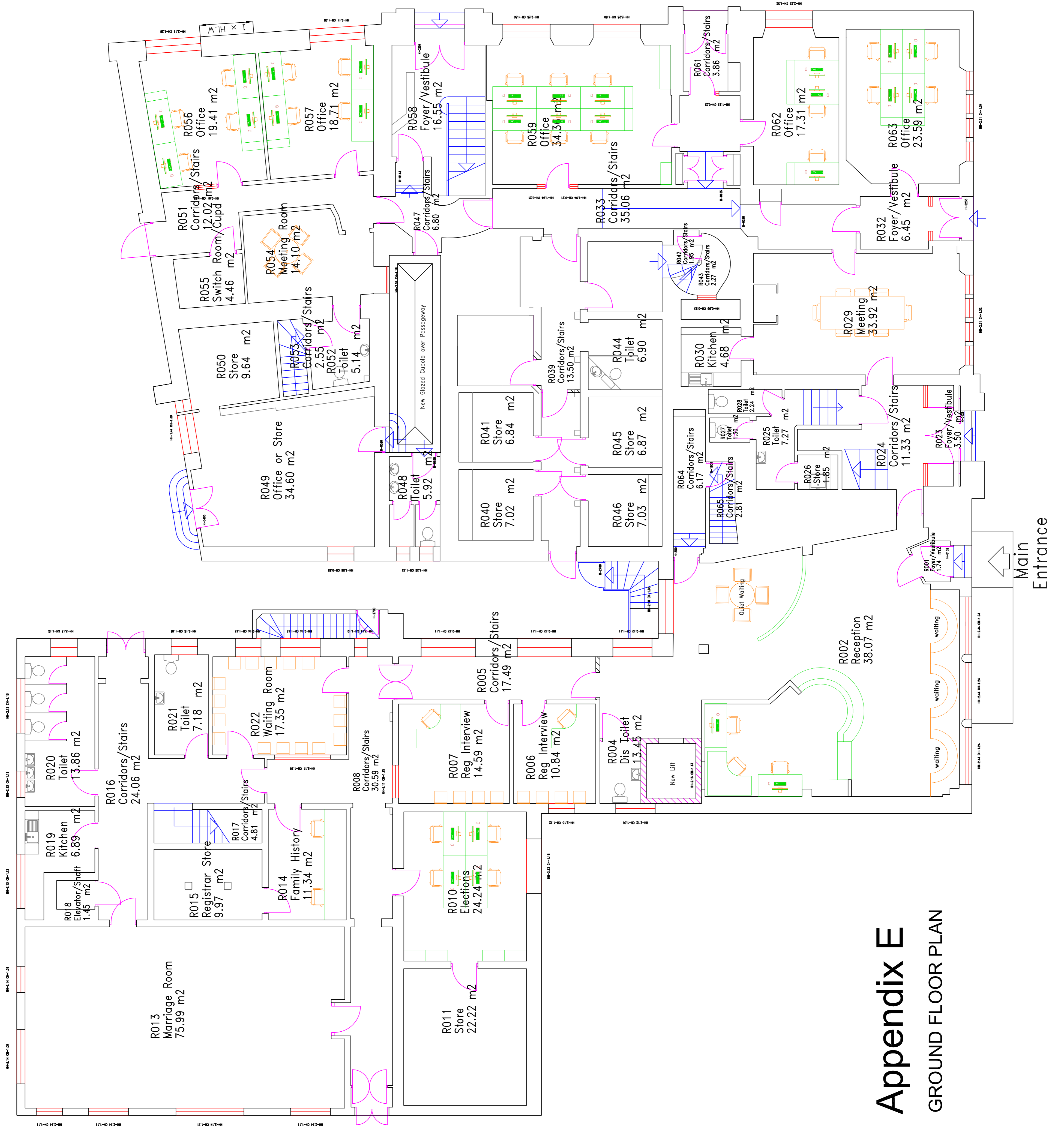
1 3d isometric Ground Floor

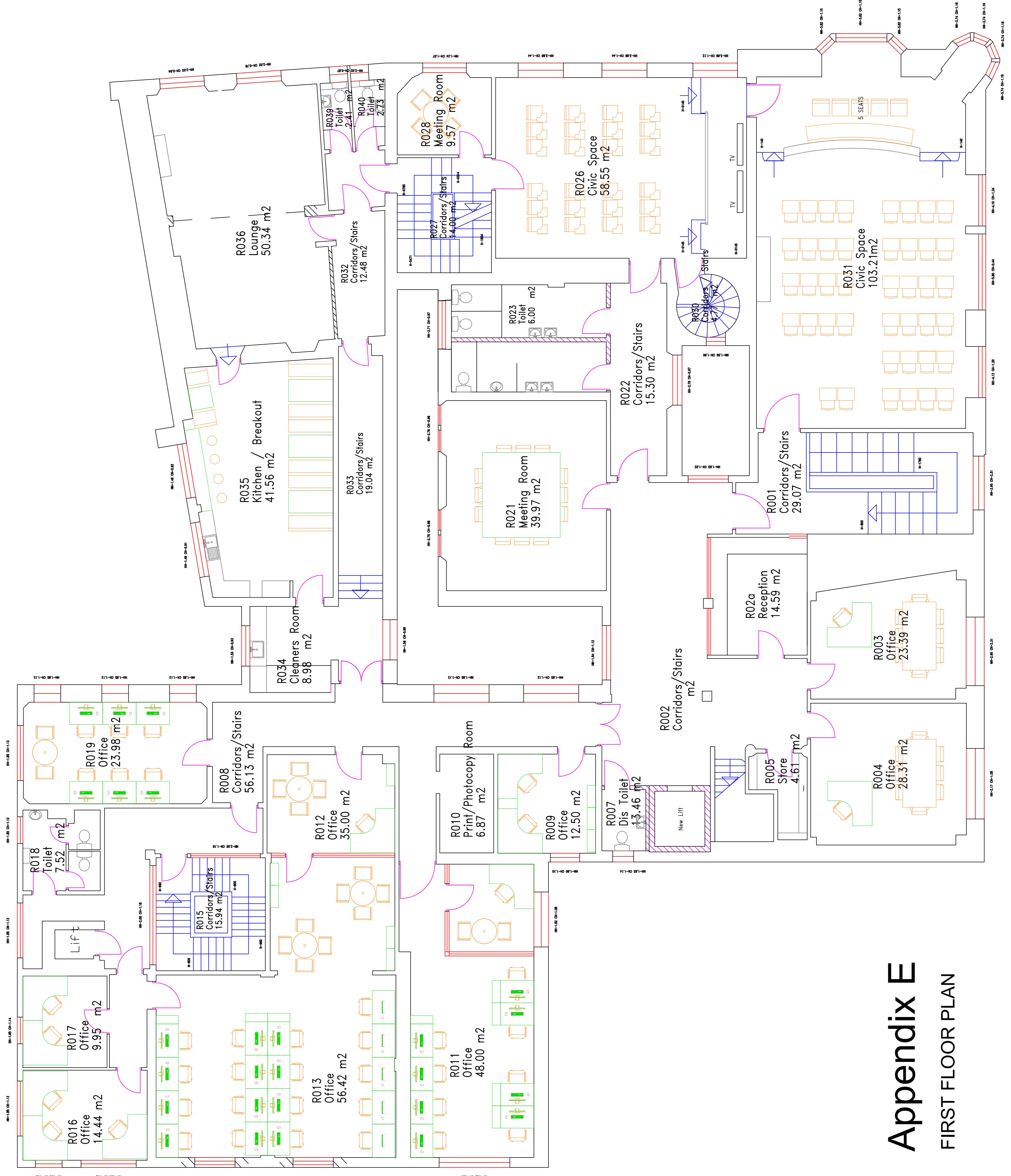




1-5 HIGH STREET, PERTH		Elemental Cost @	Cost /m2
		1Q15 = 257	GFA 2,340
<b>1</b>	<b>Substructure</b>		
1A	Substructure	5,000.00	2.14
		<b>5,000.00</b>	<b>2.14</b>
<b>2</b>	<b>Superstructure</b>		
2A	Frame	22,300.00	9.53
2B	Upper Floors	20,000.00	8.55
2C	Roof	114,400.00	48.88
2D	Stairs	12,000.00	5.13
2E	External Walls	125,500.00	53.62
2F	Windows And External Doors	208,800.00	89.22
2G	Internal Walls And Partitions	34,600.00	14.78
2H	Internal Doors	197,800.00	84.52
		<b>735,400.00</b>	<b>314.22</b>
<b>3</b>	<b>Internal Finishes</b>		
3A	Wall Finishes	43,000.00	18.37
3B	Floor Finishes	124,200.00	53.07
3C	Ceiling Finishes	67,800.00	28.97
3D	Decoration	133,900.00	57.21
		<b>368,900.00</b>	<b>157.62</b>
<b>4</b>	<b>Fittings and Fixtures</b>		
4A	Furniture, Fittings and Equipment	71,800.00	30.68
		<b>71,800.00</b>	<b>30.68</b>
<b>5</b>	<b>Services</b>		
5A	Sanitary Appliances	29,800.00	12.73
5C	Disposal Installations	35,400.00	15.13
5D	Water Installations	50,200.00	21.45
5E	Heat Source	15,500.00	6.62
5F	Space Heating and Air Conditioning	210,600.00	89.98
5G	Ventilation System	14,000.00	5.98
5H	Electrical Installations	234,000.00	99.98
5J	Lift and Conveyor Installations	90,000.00	38.45
5K	Fire and Lightning Protection	77,200.00	32.99
5L	Communications and Security Installations	105,300.00	44.99
5M	Special Installations	39,800.00	17.01
5N	BWIC With Services	36,100.00	15.42
		<b>937,900.00</b>	<b>400.74</b>
<b>6</b>	<b>External Works</b>		
6A	Site Works	83,300.00	35.59
6B	Drainage	22,500.00	9.61
6C	BWIC External Services	52,900.00	22.60
6D	Minor Building Works	5,000.00	2.14
		<b>163,700.00</b>	<b>69.95</b>
<b>7</b>	<b>Demolition and Works Outside the Site</b>		
7A	Downtakings & Alterations	324,700.00	138.74

1-5 HIGH STREET, PERTH			Elemental Cost @	Cost /m2
			1Q15 = 257	GFA 2,340
			324,700.00	138.74
<b>TOTAL PRIME COST</b>			<b>£ 2,607,400.00</b>	<b>1,114.08</b>
8	Preliminaries	10.00%	260,700.00	111.39
9	Design Team Fees	6.00%	156,400.00	66.83
10	Statutory Consents	Excluded	-	-
11	Inflation - 1Q15 Site Start @ 258	Included	-	-
12	Contingencies / Risk	5.00%	151,200.00	64.60
13	Contractors Overheads & Profit	4.00%	127,000.00	54.26
14	Perth & Kinross Council Costs	Excluded	-	-
<b>TOTAL PROJECT COST</b>			<b>£ 3,302,700.00</b>	<b>1,411.16</b>





**Appendix E**  
FIRST FLOOR PLAN