

The background of the slide is the coat of arms of the City of Vancouver. It features a shield divided into four quadrants. The top-left quadrant shows a sailing ship on wavy lines representing water. The top-right quadrant shows a stag's head with large antlers. The bottom-left quadrant shows a beaver. The bottom-right quadrant shows a grizzly bear. Above the shield is a crown with four maple leaves. A banner at the bottom of the shield contains the motto "A NE FOR A".

Agenda Item 5

Council Headquarters Project

Falkirk Council

Title: Council Headquarters Project
Meeting: Executive
Date: 14 August 2018
Submitted By: Leader of the Council

1. Purpose of Report

- 1.1. This report sets out the Administration's position on the Council's headquarters project.

2. Recommendations

2.1. It is recommended that the Executive agrees:-

- 1) the vision for Falkirk town centre and new headquarters for the Council including office, civic and arts facilities as set out in para 4.4**
- 2) to progress proposals for delivery of the replacement headquarters facility in the town centre through:**
 - a) the Council's participation in the Falkirk town centre working group to prepare a regeneration action plan with proposals for delivery of the Council headquarters facility and related investment by partners**
 - b) that officers prepare a business case for the proposed replacement headquarters having regard to the Council's financial position**
 - c) an initial specification for a replacement office headquarters facility for a minimum of 300 workstations and associated civic and arts facilities**
 - d) to progress a procurement exercise to seek a preferred site and means of delivering the project**
- 3) that a progress report with recommendations for further action be presented to Executive on completion of the above actions to enable a decision to be reached on the headquarters project.**

3. Background

- 3.1 A report on the Strategic Property Review at the Executive on 13 May 2018. The report made a number of recommendations:
- the approval of a programme to rationalise the Council's front and back office accommodation
 - to further develop an option & site appraisal for the civic headquarters and arts centre.
 - to fit out vacant office space at the Falkirk Community Stadium for resilience purposes
 - to conduct an appraisal of suitable town centre sites to assist delivery of the civic HQ/arts centre.
- 3.2 At the meeting the Executive agreed to:

1. reject the proposal which included refurbishment of Abbotsford House and the Falkirk Community Stadium, and
2. continue consideration of the remaining matters to the meeting of the Executive on 14 August 2018 to allow the Administration to formulate proposals on the HQ replacement.

- 3.3 In preparing this report, the Administration sought advice from officers on the status of the headquarters (HQ) project, its implications in terms of the Council's strategic property review, financial position and risk and the progress of work on the regeneration of the town centre.
- 3.4 Officers have emphasised the need to overcome the uncertainty in meeting the needs of the Council in terms of its future office requirements and headquarters facilities. The Strategic Property Review confirmed that much of the Council's office estate is inefficient, reaching the end of its serviceable life and is unfit for modern ways of working. This is particularly the case of the civic headquarters at the Municipal Buildings which includes the office accommodation, civic suite and Falkirk Town Hall. The Administration accepts that there is a need to settle the Council's civic headquarters, office and arts centre needs and how these will be met.

4. Administration's Position

Municipal Buildings

- 4.1 The Council has previously been advised that the Municipal Buildings complex (offices, civic accommodation and Falkirk Town Hall) has reached the end of its serviceable life. Reports to Council and Executive have emphasised that there is significant risk of failure in the building's fabric or systems which could have a major adverse impact on service delivery and working conditions. The Administration accepts this advice.

The Position of the Town Centre

- 4.2 Since the May Executive, the prospects for Falkirk town centre have become more bleak. Announcements have been made recently on the closure of Marks & Spencer and Falkirk Bus Station. This reinforces the need to revitalise the town centre. In this work, the importance of the Council reaching a decision on delivery of its headquarters project is reinforced.

In addition, the business case for the Falkirk Investment Zone has been submitted. This proposes a package of measures involving a wide range of partners to grow the area's economy and includes measures to enhance local town centres. A specific proposal for the creation of a civic and cultural hub is included as a means of attracting investment and footfall to Falkirk town centre.

The Administration made a commitment to town centre regeneration in its manifesto. Falkirk town centre has been impacted adversely by the loss of major retailers and other decisions made by key partners such as First Bus. The need for investment in the town

centre has become critical. By locating the replacement headquarters facility in the town centre, regeneration can be stimulated

Headquarters Requirements

- 4.3 In discussion with officers it has become clear that the steps necessary to establish a replacement facility involve:
- confirming the vision for the town centre and the contribution the headquarters facility can make in realising this vision
 - establishing a business case for the facility, including the anticipated investment and regeneration impact and having regard to the Council's financial position
 - confirming the Council's specification for the headquarters and related office requirements
 - identifying a suitable site and method of delivery

Vision

- 4.4 The Administration's vision for the town centre and the headquarters project is that this development should be taken forward as a partnership venture, combining investment from a range of partners and invigorating the town centre with a new sense of purpose. The way people shop has changed significantly and there is not the same demand for retail space in the centre as in previous years. The approach proposed is to take action that is about more than regeneration, it should revitalise the town centre, aiming to create a vibrant, healthy and sustainable town centre with benefits for the whole community. It should accommodate civic and arts facilities, operating as a flexible, multi-functional facility for arts and cultural events, conferencing, office accommodation, democratic services and support functions. The headquarters facilities should be open from morning to night, all year round, with a diverse range of activities on offer to attract local people and visitors to the town centre (recognising that Falkirk has amongst the highest growth rates for tourists in Scotland).
- 4.5 The headquarters facility should have a central location and be complemented by a civic square for outdoor events and performances. Access to nearby cafes, restaurants would be encouraged to help boost the day and evening economy. Falkirk has a need to increase its hotel accommodation and the attraction of a hotel facility (and student accommodation) in the town centre would be encouraged. Work to revitalise the town centre should encourage the role of independent retailers, community and voluntary groups. Where possible the work should promote the conversion of existing buildings for other uses including the attraction of enterprise, cultural, health or care activities as well as new town centre housing. An integrated transport hub, focussed around Grahamston Station should be encouraged. Free parking with charging points should be available for electric vehicles to encourage town centre living.
- 4.6 The project should align fully with the objectives of the Investment Zone project being pursued with Scottish and UK Governments. The Council has a key role to galvanise the work of partners including town centre landowners and other stakeholders to revitalise the town centre, creating a vibrant place to live, work and visit.

Business Case

- 4.7 Officers advise that investment in a headquarters facility is a significant commitment by the Council and has the potential to be transformational in terms of its impact for the Council and the wider community. As a major investment, it can stimulate vitally important regeneration, attract footfall and be a signal of physical and cultural change.
- 4.8 Officers advise that recent work undertaken for the Council on town centre regeneration has confirmed the following:
- Falkirk's ranking as a retail centre in Scotland has fallen from 7th in 2010 to 18th in 2016.
 - There are 580 businesses in the town centre highlighting its importance as an economic hub.
 - Rent decreases in larger cities, shopping malls and retail parks have made these more affordable, increasing their competitive pull and causing footfall decline in the traditional centre.
 - This decline is set to continue unless urgent action is taken.
 - The town centre has to achieve a new purpose, focusing on its civic and cultural role as a means to attract investment.
- 4.9 This work recommends preparation of a fresh vision and action plan to convey the benefits that can be gained for the Falkirk community from efforts to regenerate the town centre. In the Administration's view Council led investment in the HQ project provides an ideal opportunity to demonstrate the '*town centre first*' principle in Falkirk delivering a significant commitment in terms of public sector led investment which can stimulate private investment, job creation and other benefits. This aligns with the proposals for Falkirk's town centres submitted as part of the Investment Zone initiative. This £207m bid submission seeks £21m of support for town centres including delivery of a scheme to regenerate Falkirk town centre focusing on its role as a hub for commercial, cultural and civic activity, employment generation and as a key node in transport interconnection.
- 4.10 A town centre working group has recently been formed involving the Council, Falkirk BID and other town centre stakeholders. This group has reinforced the need for urgent action and seeks clarity on the means to deliver much needed investment in the town centre. The Administration proposes that this group should develop a regeneration action plan including recommendations for delivery of the headquarters facility. A workshop is being held to take this forward and assistance in this work has been sought from Scottish Government, Scottish Futures Trust, Scotland's Towns Partnership and Architecture and Design Scotland. The working group will give recommendations for the way ahead to be considered by the Council and other bodies.
- 4.11 Scottish Futures Trust has also indicated that Falkirk should participate in a national initiative to help with design of new 'one public estate' facilities, such as the HQ project, where a combination of public and private accommodation needs can be met. It is proposed that this work will help establish the business case for the Council on the location and delivery of the headquarters project.

Specification

- 4.12 Officers emphasise that the Council must set out its requirements for a replacement headquarters facility. They have undertaken work with Scottish Futures Trust, Hubco staff and external advisors to establish the specification for the facility. This suggests a need for the following:
- a minimum of 300 workstations as replacement for the Municipal Buildings.
 - a democratic/HQ core office for elected members, senior management team and civic accommodation.
 - ancillary accommodation i.e. reception, IT data room, meetings, catering and related welfare facilities etc.
 - modern office accommodation to meet 'back' office, agile working needs for up to 1200 staff, to help meet Council of the Future ambitions.
 - access to flexible space and capacity for other public, private and third sector partners to work alongside the Council.
- 4.13 In addition, a replacement will be needed for Falkirk Town Hall, creating a modern Arts Centre facility (new 500 seat facility, with reception, rehearsal and catering facilities). It is acknowledged that this project might take place alongside provision of the office and civic headquarters facilities or proceed separately.
- 4.14 It is the Administration's view that the HQ facility should include the civic and arts provision and that a minimum of 300 workstations be provided in the office facility for replacement of the Municipal Buildings offices. Options to extend this should be included, acknowledging that the office review highlights a need for modern accommodation for up to 1200 staff. In designing the new office accommodation, a space standard of 8sqm, with occupancy standards of 8 desks per 10 FTE staff should be applied. It is acknowledged that a more ambitious space standard might be achieved and may give benefits in cost savings and more efficient use of space. Co-location opportunities to allow integration and sharing of facilities should be encouraged wherever possible and the development should aim to meet the highest environmental and design standards.

Determining a site and method of delivery

- 4.15 The advice of the Director of Development Services is that the specification for the headquarters (as outlined in para 4.13) should be confirmed following further discussion with external partners who have an interest in town centre regeneration or related asset requirements. This will enable the Council's requirements (and those of its partners) to be finalised for presentation to the market. A procurement exercise should then be initiated seeking a suitable site and method of delivery for the headquarters project. It is the Administration's view that this should take place prior to the end of 2018 with a view to reaching a decision on delivery of the project in 2019.
- 4.16 The headquarters project inevitably will involve a significant capital commitment by the Council and the Chief Finance Officer advises considerable caution in regard to the impact that this may have on the Council's budget at a time of financial stringency. The Council faces a projected £60m+ budget gap over the next 5 years and this is likely to have implications for staff numbers and accommodation requirements. However it is

important to recognise the investment value and associated regeneration benefits that the facility will bring to the town centre. Commitment to the new facility can stimulate investment from other public, private or third sector sources and will be an important component in the Council's contribution in delivering the Investment Zone package of works.

- 4.17 The Administration acknowledges that the Council cannot proceed with a solution to its headquarters requirements (including delivery of an arts centre) without a significant budget impact. The report in May included indicative costs of between c£33m (for a civic and art centre with 100 work stations) to c£50m for the civic and art centre plus 900 work stations. The potential to reduce the budget impact through receipts from the disposal of assets achieved through the Strategic Property Review, attraction of external funds, phasing delivery of the arts centre or savings through rationalising office accommodation or other assets will all need to be considered. The project's effect on the Council's budget will require to be addressed as a vitally important element in its short, medium and long term financial planning. The business case for the headquarters facilities will require to set out the budget effects in detail.

5. Conclusions

- 5.1 The decision on a replacement headquarters facility is an important matter for the Council to consider. It will be a significant investment at a time of financial stringency and has major implications for the Council, the wider community and, in particular, the prospects for the town centre.

The Administration's view is that the Council must work in partnership to prepare an action plan which will create a new purpose for the town centre including the replacement office headquarters, civic and arts centre facilities. It should look towards its investment in a replacement as a vital trigger for others to work together to revitalise the town centre and help deliver on its Investment Zone objectives. The proposals contained in this report aim to take the project forward to enable delivery of a scheme which will maximise the impact of the Council's investment for the fullest benefit of the Council, the town centre and the wider community.

Leader of the Council

Author:– Cecil Meiklejohn

Date:- 3 August 2018

Appendices

List of Background Papers:

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act 1973:

- None