



## **Agenda Item 10(a)**

**Council Headquarters & Arts Centre  
(HQ & AC) Update**

**Falkirk Council**

**Title:** Council Headquarters & Arts Centre (HQ & AC) Update  
**Meeting:** Falkirk Council  
**Date:** 28September2022  
**Submitted By:** Director of Place Services

**1. Purpose of Report**

- 1.1. This report updates Elected Members on the action taken following the Council decision on 20 December 2021 with regard to the civic headquarters (HQ) and arts centre project and makes recommendations on the next steps.

**2. Recommendations**

**2.1 It is recommended that Council:**

- (1) Notes the findings of the appraisal for the delivery of a new stand-alone HQ located to the front of the former Municipal Building site and agrees that this does not represent best value and should not be progressed further;**
- (2) Agrees that the complex disentanglement of Falkirk Town Hall (FTH) from the former Municipal Buildings does not represent value for money, and is not progressed;**
- (3) Agrees that due to the poor condition and suitability of FTH, the modernisation of the building does not represent best value and is not progressed;**
- (4) Recognises the risks associated with the continued operation of FTH and notes the officer recommendation to close the building from March 2023 which will also be considered in a separate report to Council;**
- (5) Agrees that should approval be reached through this and the separate report to permanently close FTH, that officers, subject to the consultation process referred to at 2.1(6), can progress with the demolition of the building;**
- (6) Agrees that as a common good asset a follow up consultation on the acceleration of the timescale for the demolition of FTH under the Community Empowerment (Scotland) Act 2015 is undertaken;**
- (7) Agrees that £200,000 from any capital receipt generated from the sale of the Municipal Buildings/FTH site is provided to the Falkirk Common Good Fund.**

- (8) Agrees that officers revisit the business case for a new Council HQ and Civic facility;**
- (9) Agrees that officers progress the development of proposals for the delivery of a new Falkirk Town Hall civic and arts facility based on the framework outlined in the report; and**
- (10) Agrees that officers report back to Council on the findings of revised outline business case and locational options for the new Falkirk Town Hall project.**

### **3. Impact on Climate Change Targets**

- 3.1 Outputs from this report have the potential to significantly impact the ability of the Council to meet its organisational and national climate change targets. The demolition of the former Municipal Buildings and Westbank building together with the proposed closure and demolition of the Town Hall would produce large reductions in energy consumption and carbon emissions. It is accepted that the delivery of new facilities would have a negative impact but that the increased energy efficiency of these buildings would be a benefit for the Council in the longer term.
- 3.2 A key element of the Council's approach to more effective and efficient asset management is to replace some of the Council's most poorly performing buildings. The new Falkirk Town Hall project is compatible with this approach. In terms of energy efficiency, the Municipal Buildings/Town Hall were producing 617tCO<sub>2</sub>e per annum in 2019/20 – making them one of the largest sites for energy consumption by Falkirk Council. The Westbank Building was acquired by the Council and has not been operational so has not been evaluated for energy consumption or carbon emissions.
- 3.3 In line with the statutory obligation for Councils to decarbonise their estate Falkirk Council through its Local Heat Energy Efficiency Strategy must outline how it intends to meet the significant targets to reduce and mitigate emissions associated with its buildings. In order to meet these targets we must address buildings with the highest energy consumption and where it is not feasible to retrofit energy efficiency measures we must look to close these assets and consider alternative service delivery models.
- 3.4 The Energy Efficient Scotland Route Map requires public sector buildings to be nearly zero carbon by 2050. This ambition has been further extended by Scottish Government's commitment to meet the Committee on Climate Change's recommendation that Scotland realise a net zero carbon economy by 2045. Scottish Government encourages public bodies to show leadership by specifying for their own newbuild projects to achieve net zero carbon in operation. Falkirk Council's declaration of a Climate Emergency, and ambitions for a net zero local economy by 2030, is an illustration of such public sector leadership and ambition. The proposals contained in the report will contribute towards the achievement of the Council's net zero ambitions.

- 3.5 As part of the development of revised outline business cases for the new Falkirk Town Hall project detailed consideration of climate impacts will be undertaken. This will include detailed design, construction and operational carbon impacts. Business cases will be reported to elected members. The project team have engaged professional advisors Mott Macdonald to support business case development and have the support of the Scottish Future Trust to assist with the setting of design energy targets for any replacement facilities. New facilities will be required to meet the Council's ambitions for Net Zero carbon buildings.

## 4. Background

- 4.1 The 8 December 2021 Council meeting considered initial findings of feasibilities and requested further work be undertaken on proposals:-
- to build an HQ building (c.200 workstations) incorporating civic accommodation on the current site, as close to the front as possible (taking in the footprint of Westbank) and agreed to the external design team undertaking a design review, land take assessment and update costing; and
  - to consider the structural disentanglement of the Municipal Office Block from Falkirk Town Hall (FTH), and review the possible scope for a refurbishment of the Town Hall reflecting upon updated cost of repairs and meeting energy efficiency targets.
- 4.2 These further commissions were to be reported back and this report provides the updates requested and recommends a proposed way forward. A separate report on the current Falkirk Town Hall business plan, revenue costs and subsidy which were also requested is being considered separately.

## 5. Considerations

### HQ Building, with Civic Accommodation

- 5.1 The external design team were recommissioned to carry out the requested further feasibility for the revised HQ requirements. The Team went back to first principles and reviewed the spatial requirements and linkages, possible massing and layout on the frontage of the existing Municipal Buildings site reflecting upon the additional Westbank building area which has been acquired. This has established the land take and allowed a costing exercise to be undertaken. The results of this study are contained within Appendix 1.
- 5.2 In summary, the study produced an HQ building of circa 4200m<sup>2</sup> gross internal floor area and accommodates the following uses:-
- **Members Zone** – Provost/Leaders Office and open plan suite and auxiliary accommodation for Members & support team
  - **Senior Management Zone** – for 33 workstations with auxiliary areas and meeting spaces

- **Building Support Zone** – for 3 FM staff with Election Storage, Central Print/Scan hub, and a staff social space
- **Workzone** – for 80 workstations plus 40 touchdown, with associated meeting and breakout spaces. This and the Senior Management base would facilitate approximately 300 staff, working on a hybrid basis (using the 0.5 FTE/workstation ratio for staff).
- **Civic Suite** – with a flexible Studio/Meeting space, capable of subdivision, along with other medium/smaller sized meeting spaces.

**NOTE** – no café/canteen area has been included, as it is expected that staff would utilise facilities in the town centre.

- 5.3 Since the commission, the Council has adopted hybrid / flexible working, uses accommodation differently and has confirmed delivery of new modern office premises (i.e. The Foundry, the Stadium and Carronbank). As a consequence, the scale and scope of the proposed HQ has materially changed and officers intend to progress the reappraisal of the extent and approach of the accommodation required.
- 5.4 The volatility of construction prices is now recognised as a substantial risk for all projects. There are substantial inflationary pressures around materials, labour and wider project elements due to rapidly increasing energy costs, shortages of materials and labour. At present it is extremely challenging for fully prescriptive costs to be provided with any prospect that these will remain stable for any period of time however, the team reconsidered the project and have estimated that a construction budget of £26M is required for construction of the building in accordance with the feasibility parameters (to Q3, 2023). Inflation and CPI will require to continue to be monitored and fed into available budgets should the Council decide to progress this option, as the final cost will only be agreed after Tender/Contract negotiation. As well as the Building Construction costs outlined above, there will be other costs associated with enabling and fit out works for the project (see Appendix 1 for breakdown), which have been estimated at circa £2.8M based on current market intelligence.
- 5.5 In pursuit of the Council's climate change objectives, to achieve a low to zero-carbon building (Passivhaus Standard), it is currently estimated that a further 15%+ uplift would be applicable to the construction costs quoted. This can only be fully determined as part of the further project development work and business case development process.
- 5.6 The current estimated project budget required to produce a low to zero carbon HQ based on the accommodation outlined, would require a budget provision of £32m to £33m as costed at Q3, 2023. It should however be stressed that due to the current inflationary pressures, costs are likely to increase further.
- Site Assembly and Appraisal (Demolition and Valuation)**
- 5.7 Since the previous report, the Council has acquired the Westbank Clinic from NHS Forth Valley (April 2022), and it is being demolished and is programmed to be completed by November 2022.

- 5.8 The District Valuer (DV) was instructed to provide an updated site valuation of the existing municipal building and town hall site based on residential development of approx. 100 units and normal statutory requirements. The area subject to valuation and the extent of the caveats are shown in Appendix 2. The DV has confirmed their opinion of value as £4.7m for the entire site, based on the Council clearing the site. If, however, the Council was to construct the new HQ on the site and retain FTH there is limited scope to redevelop any underutilised area and generate a capital receipt to support the project as both facilities would require car parking.
- 5.9 It should be noted that the site is attractive for residential development and would likely attract significant interest. In addition to the capital receipt the development of the site for residential use would provide additional housing with up to circa 370 residents likely to utilise the town centre, increase footfall and support the evening economy. This would be a significant benefit to the regeneration of Falkirk town centre. As part of the planning requirements 15% of the residential units would be expected to be affordable housing and contribute to the delivery of the council's Housing Strategy.
- 5.10 By potentially locating the new HQ on the existing site and retaining the existing FTH the realisation of a capital receipt based on residential values would not be achieved. The receipt that could be generated from a clear residential site is likely to be higher than the acquisition costs of an alternative town centre location where any new property could be located.

#### **Structural Disentanglement of Municipal Building from Falkirk Town Hall**

- 5.11 The external design team has evaluated the disentanglement of the office block and FTH to allow it to be safely capable of continuing occupation as a standalone facility. Appendix 3 summarises the options considered and the outcome of the investigations including identification of a preferred solution in terms of operational, technical, structural and cost implications. In summary, minimising the area of retention proposals (option A), was concluded as the most viable solution, with a "cut point" near to the rear of the FTH stage considered the simplest and lowest risk option to implement.
- 5.12 The preferred solution, Option A, has been further evaluated by the design team to consider in detail the various technical, operational and cost issues associated with disentangling from FTH. External mechanical and electrical consultants have surveyed the existing plant and services both within the Town Hall and within the shared plant room at the former Municipal Buildings to consider how a stand-alone building could be serviced and have identified the cost implications. External structural engineers have also considered the protection measures required to separate the two buildings and informal discussions have been undertaken with the Phase 1 Demolition Contractor to seek further demolition cost advice and works programming. All investigations to date have identified that whilst technically feasible the works proposed are challenging and various risks would need to be mitigated and considered. Appendix 4 summarises the various issues that require to be addressed.



- 5.13 The main technical and construction risks identified include careful demolition of former municipal building to limit structural impact and potential vibration damage on FTH, infilling to basement areas, installation of modular plant solution to link to existing services within FTH, new modular backstage changing & toilet facilities, construction of new backstage access and circulation arrangements and the construction of a new substation.
- 5.14 Whilst this work was undertaken FTH would need to close for a period of up to 12-months as services will require to be disconnected and relocated. Works would be disruptive to performances and whilst the site will be carefully managed there are inherent risks associated with construction and demolition works adjacent to operational properties particularly where members of the public are present.
- 5.15 The preferred disentanglement option has been estimated to cost circa £2.3m to implement and retain the stand-alone facility with new modular plant/changing and to carry out essential / “do minimum” repairs (costing c.£664,000), for a period of 3-5 years until any new facility is operational. The essential repairs would be based on health and safety requirements and may increase as the property continues to deteriorate.

#### **Condition and Suitability of Falkirk Town Hall**

- 5.16 Detailed building surveys undertaken in 2017/18 considered the structural integrity and repairs required to maintain the FTH building and concluded that the property had reached the end of its remaining useful life in terms of physical obsolescence and would increasingly be challenging to sustain without significant investment. During the intervening years, due to the fact that FTH was to be replaced by the Arts Centre, there has been no investment in the property and therefore the conclusions of the original appraisals will now be understated.
- 5.17 The external project team has however updated the previous condition surveys costs and concluded that to undertake the repairs previously identified would cost around £4.1m at today’s prices to bring the property to a good (Condition A rating). These repairs are likely to increase in cost and would not overcome the operational and functional limitations of the building (inadequate circulation areas, stage dimensions, lack of studio space, etc). They would not provide an adequate extension of its remaining life to justify this level of investment. There will also be a requirement for the establishment of a planned improvement programme to sustain the property at this condition.
- 5.18 Members asked that consideration be given to making FTH more energy efficient and the disentanglement and repairs costs outlined in paras 5.15 and 5.17 would do this to some extent, in that outdated plant would be replaced with modern equivalents. However, the building would continue to be inefficient in terms of energy design standards with poor thermal performance. The external project team considered that due to the operational limitations of the current building, its construction characteristics and current condition that it is likely that to refurbish the current structure would cost more than a new build equivalent.

- 5.19 The works highlighted as part of the condition review do not address any of the operational theatre deficiencies (stage depth, lack of studio space, poor circulation space, etc) or energy inefficiency.
- 5.20 FTH represents a substantial energy consumer for the Council with approximately 205,312kWh of Electricity and 413,678Kwh of Gas used per annum. This represents approx. 143tCO<sub>2</sub>e. The project team considered works that could be undertaken to improve the energy efficiency (to net zero standard) and have concluded the costs would be the same or more than a equivalent new building. These works would not alleviate operational layout deficiencies, without additional costs.
- 5.21 If Members wish the project team to produce a repair, enhancement (operational and energy efficient) and detailed “refurbishment option” further investigations and resources can be directed to this although it is not recommended by officers or the external project team as offering a best value solution.
- 5.22 In view of the current findings, it is recommended that Council reconsider creation of a new build that will achieve the objectives of delivering a new, energy efficient / zero or low carbon theatre by providing state of the art facilities that an entire generation can utilise as requirements alter over time.

#### **Closure of Falkirk Town Hall**

- 5.23 As noted earlier in the report the disentanglement from the former Municipal Buildings will require FTH to close for a period of up to 12 months. In addition, given the challenges presented by the building’s condition and suitability it is recommended that the building close permanently and be demolished. It is noted that recommendations on this and other related matters are addressed in a separate report for this meeting.
- 5.24 Should the Council agree at some point to close FTH while the current contractor is on site, there will be economies of scale and the contract could be extended subject to a best value review. This would enable the main office block and FTH to be demolished, in a second phase, and to remove the eyesore of the vacant office block.
- 5.25 It is recognised that Falkirk Town Hall along with the rest of the Municipal Buildings site forms part of the Common Good of the former Burgh of Falkirk and when considering the disposal of common good land certain legal requirements must be followed. This includes carrying out a statutory consultation with the local community under Part 8 of the Community Empowerment (Scotland) Act 2015 and if required, seeking approval from the Court under S.75 of the Local Government (Scotland) Act 1973.
- 5.26 The Council undertook a common good consultation in June to August 2021. Having had regard to the responses to the consultation exercise at the Council meeting in December 2021, it was agreed that the buildings on the site could be demolished and the whole of the site be sold. It was agreed that



the buildings other than FTH could be demolished without delay. FTH was to remain until a new replacement facility was constructed. Given the previous consultation and the updated recommendations in this report, it is considered appropriate to conduct a follow up common good consultation on the accelerated demolition of FTH. Officers will report back to Council once the follow up consultation has been completed.

- 5.27 It is proposed that £200,000 from any capital receipt generated from the sale of the Municipal Buildings/FTH site is provided to the Falkirk Common Good Fund for the benefit of the community. It is anticipated that the balance of any capital receipt would be applied towards the cost of the replacement facilities.

### **Commitment to Arts**

- 5.28 The Council as part of the Growth Deal has set out an intention to deliver a new Falkirk Arts Centre which aims to be a vibrant fulcrum for the region's cultural sector whilst igniting the renewal of Falkirk Town Centre. Scottish and UK Governments as part of the Growth Deal are proposing to contribute £3m each (£6m in total) to sit alongside the Council's own capital funds to deliver the new Falkirk Town Hall project.
- 5.29 The new Falkirk Town Hall is intended to drive Falkirk town centre's regeneration, repurposing it as a vibrant cultural and residential centre. The business case for this project will confirm the approach towards delivering this important project including the regeneration benefits to be achieved. It is important that should the decision be taken to close FTH, options for the delivery of the new facility are progressed as quickly as possible.
- 5.30 Given the challenges of inflationary cost pressures, changing operational requirements and an uncertain economic climate it is essential that the Council's investment on the new Falkirk Town Hall project is optimised to deliver the maximum benefits. It is therefore proposed that the business case for the project is reviewed and developed to reflect the current circumstances.

### **Next Steps**

- 5.31 A framework is required to outline the key elements and objectives for the projects to support the development of business cases. It is therefore proposed that the following are crystalised as the key strategic aims for the development and evaluation of the business cases.
- Projects should act as a catalyst for physical regeneration of the town centre and be centrally located;
  - Act as enablers for town centre urban realm improvements;
  - Be visible and reflect positively on the Council's corporate priorities;
  - Meet the needs of our communities, customers and stakeholders;
  - It should act as a regional fulcrum for the cultural activity;
  - It should reflect modern flexible working;
  - It should aspire to be low or zero carbon and be as energy efficient as practically possible; and
  - It should be accessible and promote active travel.
  - Should demonstrate best value.

- 5.32 As part of the business case development process consideration will be given to location options and their limitations as they could impact upon accommodation required. A limited location in terms of size may not be able to enable all accommodation required.
- 5.33 At the same time a complementary project is to be progressed on the master planning of Falkirk Town Centre. This would be subject to a future report to members. The new master plan would scope out the opportunities for large scale redevelopment, physical regeneration and to improve economic viability. It is essential at this early stage that the opportunities for the new Falkirk Town Hall project is recognised and reflected in this work. This co-ordination of investment, in a planned way, is the only way of delivering a dynamic Falkirk that evolves and thrives for the future. By committing to locating the new Town Hall project in a prominent location in the town centre it can act as cornerstones for regeneration and be the catalysts for private sector investment.
- 5.34 Given the financial challenges facing the Council it is essential that substantial development projects and capital investments can where possible generate capital receipts or secure external funding to reduce the net costs to council tax payers. The project team will therefore look to explore opportunities to maximise capital receipts (existing FTH and Municipal Buildings Site) and where possible to secure further external funding. One of those opportunities is placemaking funds which are available for a limited time. The Council is already in discussions with Scottish Government and Scottish Futures Trust on support that could be available to integrate the Arts Centre, HQ and wider regeneration of the town centre.
- 5.35 The project delivery team (subject to the decision on this report) will progress with the necessary technical / construction, legal, financial, community, climate, service and other necessary works streams to progress the project and will provide regular updates at key stages.
- 5.36 Based on the recommendations of the report, should these be agreed, officers will progress with actions including the following:
- Progress the demolition works associated with the Municipal Buildings and, should this be agreed in a separate report, the FTH buildings (noting the common good consultation around accelerated demolition of FTH);
  - Progress the business case development and feasibility of options for the new Falkirk Town Hall project based on the framework outlined;
  - Review location opportunities for the delivery of the project; and
  - Bring a report back to a future Council meeting
- 5.37 Officers intend to provide regular updates to members on the progression of the projects. Whilst these would normally be at key business case milestones however, due to their high profile nature it is proposed that the next update on progress will be provided to a future Council meeting.

- 5.38 It is the opinion of officers that the ability to free up the existing site for a significant capital receipt, the potential development of 100 new homes to help regenerate the town centre, and the opportunity to increase Council Tax income through this development is hugely attractive. An alternative town centre site for a new Falkirk Town Hall could be purchased for 25% of the capital receipt generated from the sale of the existing site, and enable a further regeneration of the town centre to take place. This approach would therefore cost less and find regeneration solutions to two sites in the Falkirk town rather than just one.

## 6. Consultation

- 6.1 Briefings have been offered to all elected members.
- 6.2 The significant nature and town centre location options of both projects will require substantial engagement with community and business representatives as proposals progress. In addition, substantial engagement and consultation will be required as projects progress in advance and as part of statutory consent processes.

## 7. Implications

### Financial

- 7.1 A project budget of £45m was contained in the General Services Capital Programme for the delivery of the HQ & Arts Centre Project together with the office modernisation programme (i.e. Foundry and Stadium project) including all of the enabling elements. As the direction of travel has altered, it is considered that a new business plan requires to be produced once there is a clearer understanding of the extent of the new build projects to be progressed. Appendix 5 provides details of the current project spend versus the initial project budget (allocated in March 2021) and outlines commitments to date/forecasts to the end of 22/23. In summary, the key expenditure is as follows:

Title	Initial Budget Allocation (Mar 21)	Projected Expenditure by end 22/23	Comment
General Services Capital Programme Allocation	(£45,000,000)		Including £6m from Growth Deal towards Arts and Town Centre Regeneration.
The Foundry Office Fit Out	750,000	917,090	Project is complete
The Stadium Office Fit Out	1,500,000	1,500,000	Project will complete in 22/23
Municipal Buildings Demolition	1,000,000	800,000 (Ph1 only)	Ph2 – dependent on decision on next steps/way ahead
Westbank Acquisition	125,000	185,000	Project complete
Relocation of Data Centre	1,000,000	1,000,000	Project will complete in 22/23
FFE	1,500,000	900,000	Remaining allocation associated with new HQ&AC
HQ & AC Feasibilities and Design Development (to	1,895,000	703,352	This element needs reviewed due to extent of expenditure on aborted feasibilities

date) – including various Feasibilities, SI & Fees			
HQ & AC Construction	37,500,000	0	This element needs reviewed due to new scope/CPI
Other Demolitions (FTH/other Offices)	980,000	0	FTH dependent on decision on next steps/way ahead
Receipts from closed offices	(1,250,000)	0	If a site in the town centre is developed there will be an additional £4.7M receipt from Muni Blds site sale
<b>Project Budget:</b>	<b>£45,000,000</b>	<b>£6,005,442</b>	<b>Net Remaining c £39M</b>

7.2 Once there is a clear agreement on the options to be progressed a new set of business plans will be created, which will update the Construction and delivery costs associated with the project to allow a final decision to be made, and alterations to the General Services requirements.

7.3 The disposal of the former Municipal Buildings and FTH site would contribute to the councils business case for delivery of the new Town Hall and is likely to be substantially more than any investment in a new site for the proposed development to be located upon.

### Resources

7.4 Appropriate legal, financial, procurement and technical resources are being identified and responsibilities defined across the Council to support the delivery of this project. In additional, external design support will continue to be engaged to assist the Council in the delivery of the project.

### Legal

7.5 The Council will require to follow Contract Standing Orders and Procurement Rules as it progresses the project to the next stages.

7.6 As noted in the report the former Municipal Buildings and FTH form part of the Common Good of the former burgh of Falkirk and when considering the disposal of common good land certain legal requirements must be followed. This includes carrying out a statutory consultation with the local community under Part 8 of the Community Empowerment (Scotland) Act 2015 and if required, seeking approval from the Court under S.75 of the Local Government (Scotland) Act 1973.

7.7 The Council undertook a common good consultation in June to August 2021. Following this, it was agreed by Council that the buildings on the site could be demolished and the whole of the site be sold. It is now considered appropriate to conduct a follow up common good consultation on the accelerated demolition of FTH.

### Risk

7.8 There are a number of high-level risks associated with the projects, these are:

- Current construction cost inflationary pressures. These will require to be quantified, and monitored as the project progresses. In terms

of mitigation this may involve value engineering and project scope reduction;

- Availability of contractors can be limited, therefore use of existing frameworks and early-stage engagement with a Tier 1 contractor will occur;
- Any project working on an existing building, at the end of its useful life, possess risk in terms of dealing with the way buildings were constructed. Issues that emerge will require to be resolved as the building is opened up;
- Retention of FTH even if refurbished would not overcome operational deficiencies. Viability would be poor and energy / carbon objectives not achieved;
- There is a risk that due to FTH retention and new Civic / HQ facility on the existing site limited capital receipt is generated to support the project. This can be mitigated through the recommendations of the report.
- The new Town Hall development scale will require to be confirmed and will require evaluation. Revaluation is proposed due to change in circumstances but also represents an opportunity to reduce costs and demonstrate best value.
- Community / Business views on town centre regeneration not being recognised if developing existing site can be overcome through more central town centre location.

### **Equalities**

- 7.9 The Council is required to have regard to the Equality Act 2010 and the public sector equality duty (PSED). The PSED places a statutory duty on the Council in the exercise of its functions to have due regard to the need to: (1) eliminate discrimination (2) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and (3) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 7.10 An initial Equality and Poverty Impact Assessment has confirmed that there are no identified PSED requirements or impacts on any groups with protected characteristics identified because of the proposals contained in the report.
- 7.11 Equality and Poverty Impact Screening Assessments will be undertaken for each of the projects as part of the business case development process.

## **8. Conclusions**

- 8.1 The proposed delivery of an HQ on the existing site would not generate a capital receipt, would not act as a catalyst for town centre regeneration and would not achieve economies of scale through a single development approach with the Arts facility. The requirements for the new Town Hall facility have changed due to staff working more flexibly and given the significant inflationary pressures being experienced in the construction sector it is appropriate that the project is subject to a revised business case.

- 8.2 The refurbishment of FTH is not considered to represent best value and will be a compromised solution in terms of the future Falkirk cultural offer. The works would require to close the facility for 12 months and condition assessments have confirmed that substantial investment is required just to extend the buildings life by up to 5-years. It is therefore proposed that the property is closed, and performances and events are relocated elsewhere which is subject to a separate report.
- 8.3 By revisiting the business case for a new Town Hall project the Council can fully align the outcomes to reflect current circumstances and enable it to act as the catalyst for regeneration of the town centre.

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**Director of Place Services**

**Date:** 16 September 2022  
**Contact Officer:** Paul Kettrick, Head of Invest Falkirk  
Lesley Malkin, Project Manager (HQ and Arts)

**Appendices:-**

- Appendix 1 - Feasibility Report into new HQ, with Civic, on HQ/Westbank Site
- Appendix 2 - Municipal Buildings Updated Valuation (Confidential)
- Appendix 3 - Structural Disentanglement Feasibility (cut points between Municipal Office and Falkirk Town Hall) Workshop
- Appendix 4 - Detailed Disentanglement Review Costs & Issues
- Appendix 5 - Summary of General Services Capital Programme Allocations and Project Expenditure

**List of Background Papers:**

**None**



# Falkirk HQ Municipal Site

**Falkirk Council**

Site 3A - Appraisal

July 2022



## INTRODUCTION

## PURPOSES OF THE STUDY

## FUTURE OF FALKIRK TOWN CENTRE

Falkirk Council are investing in the future civic estate of the town to service the communities of Falkirk as a whole. The investment brings together civic and administrative functions for the Council, and merges them with arts and cultural facilities.

The Falkirk area has been on a journey of regeneration for several years with the creation of projects nearby such as The Falkirk Wheel and The Kelpies created to draw investment and tourism to the area.

Currently, Falkirk Town Hall is part of the Municipal Buildings located in a mainly residential area on the western periphery of the town. The buildings opened in 1967 and it has now been widely recognised that the complex is in need of replacement. Falkirk Council has accepted that the complex does not have a sustainable long term future and wish to replace their current Civic HQ with a new build facility within the curtilage of the Municipal site.



***“Create a legible town centre, with vibrancy, relevant to local communities and visitors”***

***“A place that is powerful to draw people away from default choices and other areas across central Scotland”***

***“fits the grain of the town. Create something which helps connect the different quarters of the town centre, their atmospheres and functions. Create places within the place.”***

INTRODUCTION

This document follows on from the Options Appraisal Report dated September 2021, where Falkirk Council’s two preferred location options for the relocation of Council Facilities from their current location were investigated.

These two options were further discussed by the Council at a meeting held on December 21st, 2021.

At the meeting it was agreed that, in light of the Council’s current financial position, neither of the two preferred options - **Option A** (Standalone office HQ on the Municipal Site with Arts Centre, Library, Central Hub (inc Members Chamber)) on Cockburn/High St site) **nor Option B** (combined Arts centre and office HQ (all functions) located at the Cockburn St/High St site) were viable.

Instead, updated designs and costs were sought for a revised **Site 3A** comprising of a new HQ building incorporating civic accommodation on the current Municipal Site, within the footprint of Westbank Medical Centre. The existing Town Hall is to be retained in its current form, with a partial upgrade to improve energy efficiency.

In the future, a library and hub will be located at the High St site.

For the purposes of this report, only the proposals for the new HQ building (inc 200 workstations) are presented.

Design Team:

Architect:



Theatre Consultant:



Structural Engineer:



Services Engineer:



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# BRIEF DEVELOPMENT

## RETAINED BRIEF

### CIVIC PRESENCE

A building which is a focal point on approach from the town centre and has civic presence with regards to mass, elevation and landscape but is sympathetic to its neighbours

### WELCOMING

A place people enjoy going to. It has things that offer interest and excitement.

### HERITAGE AND A SENSE OF PLACE

A place that tips the hat to heritage, and is forward looking with imaginative design which also tackles climate change.

### SMART TECHNOLOGY

A place that support the new digital generation with ideas and concepts to engage them.

### WELL CONNECTED

A place with a sense of arrival, a bit of wow, something special. Help to develop the town centre as a destination and is easy to get into.

## REVISED BRIEF - HQ WITH CIVIC ACCOMMODATION

Of the options contained in the September report to the Council, a high level review of the space budget was carried out on Option A (the standalone HQ on the Municipal Buildings site) so that the requested civic space could be added.

This effectively adds in a large flexible meeting/studio space of around 200m<sup>2</sup>. It is envisaged that the Council will require this to be capable of subdivision so that it can accommodate both committee meetings in smaller rooms, but also be transformed into a single area that can accommodate full Council meetings and other activities.

The project space budget for the HQ would increase by approx 730m<sup>2</sup> to take account of the increase in auxiliary spaces that are also required. The HQ would then have a floor area of circa 4,000 m<sup>2</sup> and would accommodate the following elements –

- office space for Elected Members & Senior Management team
- circa 200 workstations for staff, along with some touchdown accommodation – this would be a base for around 340 staff, working on a hybrid basis.
- flexible studio/meeting space of circa 200m<sup>2</sup>, capable of subdivision, along with a seating store, small gathering area, small kitchen.
- medium/smaller studio/meeting spaces of circa 75m<sup>2</sup>, 40m<sup>2</sup>, 20m<sup>2</sup> (x 2) and 12m<sup>2</sup>.
- additional toilets (including a ‘changing places’ toilet), stores, cleaners areas and front of house office.

No café/canteen area has been included, as it is expected that staff would utilise facilities in the town centre.

The Council has reopened negotiations with NHS Forth Valley around the purchase of the Westbank Clinic, and hopes to have the acquisition concluded before the end of the current financial year. This will enable demolition to proceed as part of the demolition works contract.

A high level cost review was also undertaken, based on the space budget discussed above, and it is envisaged that the cost of the HQ, with civic accommodation would be c£24m+.

## RESPONSE TO BRIEF - HQ WITH CIVIC ACCOMMODATION

MLA noted the following general points with regards to the revised space budget shown on the next page;

- Potential increase in provision for circulation and nett to gross conversion to give some more large groups and contingency for core respectively.
- Provision for canteen – appreciate the proposal to use facilities elsewhere in the Town Centre but, in our experience, this is the heart of the HQ where everyone comes together for ad-hoc informal meetings etc. Proposal to combine with the staff social space?
- Depending on desk sharing ratio, meeting room numbers seem light and a little small as most staff will be coming into the office to collaborate – proposed increase in size and number as noted.
- Otherwise, minor comments on the size of individual spaces such as changing places, WCs, quiet rooms etc – In general there would be a minor increase here too.
- Clarification required for 200m<sup>2</sup> flexible space – assume this is double height for time being.
- Parking provision to be required. We assume there is a move towards a more sustainable arrangement and / or combined with parking elsewhere? Agreement to indicate circa 50 spaces for the time being.

Falkirk HQ - Municipal Site				Micro Stand Alone Office (164 workstations plus Members) plus Civic	MLA Comments
SCHEDULE OF AREAS					
14/07/2022					
Room Name	Notes	Area	Occ.		
Total Areas					
		HQ/Back			
A Total Shared Public Areas		489			
C Total Arts Centre Performer Areas		20			add to J
D Total Studios / Creative Spaces / Public Meeting Spaces		400			
H Total Members Zone		239			
I Total Senior Management Zone		257			
J Total HQ Building Support Zone		405			
K Total HQ Work Zone		684			
Total NET Usable Area		2,494			
Grossing Rate Office & Library:		PLUS MEMBERS			
Grossing Rate Theatre & Shared:		125			
15% Circulation		748			Increase to 20%, likey to be large groups of people exiting rooms and event spaces
10% Technical Theatre Areas		0			
15% Plant, Ducts, Risers		0			
25% Internal Walls		0			
20% Net to Gross Conversion		842			Increase to 20% - gives more contingancy for core facilities -wc's etc
TOTAL GROSS AREA (split)		4,209	m <sup>2</sup>		4,209
TOTAL GROSS AREA (combined)					

## DEVELOPMENT PROPOSALS

The revised proposals have been designed to have a civic presence with an efficient and flexible layout that works naturally with the varying site levels.

The building takes the form of two slipped planes with a centrally linked core. The plane to the west projects forwards and provides a visual connection on approach from the town centre.

The main entrance and triple height void is accessed via a stepped landscape feature which integrates with the street-scape.

The staff and service entrance is located to the rear, linked to a new lay-by and parking provision.

A stepped landscape zone with a mix of formal planting to the main road / primary elevation and less formal planting to the rear and sides is proposed.

The eastern portion of the building is lower where it is in proximity to Wellside Court, being predominantly two storey with plant/roof garden on top to the rear, rising to three storeys at the south towards West Bridge Street.

The building occupies LG, G, 1st and 2nd floors, with plant integrated into the upper levels. General office floors have a 15m wide floor plate and 6m grid centres & 1.5m space planning layout.

To give the building greater civic presence, the design is pushed forward to West Bridge Street where there is most opportunity for height.

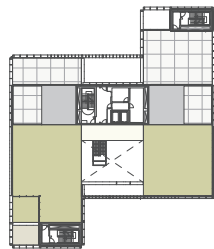
The main mass of the building is clad in a gridded façade to enhance the civic presence of the design, as shown in the 3D sketch visuals on the next page.

Internally, a flexible council chamber with raked seating is located at the lower ground level, the double height space taking advantage of the change in topography.

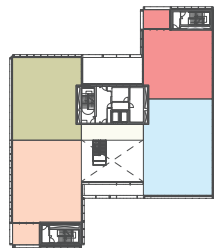
The staff social space is integrated with the canteen which opens onto the steps at the upper ground level. Some green spaces / gardens at the higher levels enhance well-being.



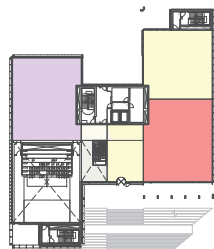




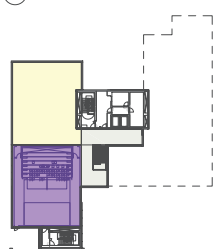
5 Level 03  
1:500



4 Level 02  
1:500



3 Level 01  
1:500



2 Level 0  
1:500

FLOORPLANS AND  
AREAS

Net Areas	
Room	Area

Building Support	510 m <sup>2</sup>
Management	308 m <sup>2</sup>
Members	296 m <sup>2</sup>
Public Meeting	528 m <sup>2</sup>
Shared Public	578 m <sup>2</sup>
Work Zone	811 m <sup>2</sup>
	3031 m <sup>2</sup>

GIA	
Level	Area

Level 0	820 m <sup>2</sup>
Level 1	1100 m <sup>2</sup>
Level 1	100m <sup>2</sup>
Level 2	1320 m <sup>2</sup>
Level 3	860m <sup>2</sup>
	4200 m <sup>2</sup>

3D VISUALISATIONS

