



Agenda Item 6

Replacement Town Hall Project Update

Falkirk Council

Title: Replacement Town Hall Project Update
Meeting: Special Falkirk Council
Date: 23 May 2023
Submitted By: Director of Place Services

1. Purpose of Report

- 1.1. This report updates Elected Members on the actions taken following the Council decision on 28 September 2022 regarding the replacement Falkirk Town Hall project. In particular this includes the identification of a site for the new facility together with the next steps should approval be given.
- 1.2. The recommendations in this report contribute to the strategic priorities within the 2022/27 Council Plan to support a thriving economy and green transition as the investment will assist economic development and town centre regeneration.

2. Recommendations

2.1 It is recommended that Council:

- (1) Notes the outcome of the “Call for Sites” and the Site Appraisal Process undertaken that identified Callendar Square as the preferred location for the new Falkirk Town Hall facility;**
- (2) Instructs officers to progress the acquisition of Callendar Square (and adjacent Antonine Hotel) on terms as set out in the report subject to further negotiations on payment phasing and undertaking necessary due diligence required to conclude any acquisition;**
- (3) Delegates authority to the Director of Place Services to conclude the acquisition including, where necessary, amendment to terms provided they continue to represent best value for the Council;**
- (4) Notes that in parallel to voluntary negotiations the promotion of a Compulsory Purchase Order (CPO) may be required and will be separately reported to Council for consideration if it is necessary to secure all interests;**
- (5) Notes that the indicative total capital cost is estimated at approx.£59m (including construction and acquisition etc) and will require to be further evaluated to ensure overall affordability of the project and finalised for incorporation within the Full Business Case and confirmed as part of a financial close process;**

- (6) Notes that current revenue cost projections for the new facility outline a deficit of at least £200,000 per annum and therefore will require to be evaluated, refined and finalised for incorporating within the Full Business Case and confirmed as part of a financial close process; and**
- (7) Notes that upon the successful purchase of Callendar Square the former Municipal Building Complex site can be sold for redevelopment.**

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 Town Hall will produce large reductions in energy consumption and carbon emissions. It is accepted that the delivery of new facilities would have a partial counter impact but that the increased energy efficiency of the new building 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 617tCO₂e per annum in 2019/20 – making them one of the largest sites for energy consumption by Falkirk Council.
- 3.3 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.
- 3.4 As part of the development of a revised outline business case 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 incorporating emission estimates will be reported to elected members. The project team have engaged professional advisors to support business case development and support setting of design energy targets. New facilities will be required to meet the Council's ambitions for Net Zero carbon buildings.

4. Background

4.1 Council on 28 September 2022 considered the various findings of feasibilities for various options relating to Falkirk Town Hall proposals. Council ultimately agreed to close FTH and for officers to:-

- Review and Update the Business case for a new replacement town hall facility;
- Progress demolition works at the Municipal Buildings and FTH;
- Progress a “call for sites” process and review locational opportunities for the delivery of the project; and
- Report back to Council on progress and preferred site.

4.2 Since September 2022, demolition works have continued to progress at the Municipal Buildings / FTH complex. The Westbank Clinic, Bunker, Committee Suite and District Court all having been fully demolished, with foundations removed. Phase 2 incorporating the main office block and FTH commenced on the 13 March, with asbestos removals progressing and relocation of a sub-station commenced. The remainder of the building will be demolished and foundations removed. All car parks have been closed to ensure public protection and Health and Safety reasons, apart from the West Bridge St car park which will remain open to service the local residents. It is envisaged that the entire demolition process will be completed by Dec 2023.

4.3 Users of FTH have been engaged with and most organisations which had booked FTH in 2023 have been relocated either to Grangemouth or Bo’ness Town Halls (GTH and BTH), Dobbie Hall and Schools.

4.4 Extensive equipment from FTH has been repurposed at other venues. This has included technical equipment including PA and sound equipment, LED lighting, tables, chairs and other front of house equipment going to GTH. Improvement works to upgrade the stage at GTH have also been undertaken to accommodate additional lighting. Seating from the FTH balcony is being installed in the balcony at BTH where the stage rigging is also being upgraded. Unfortunately, the FTH stall seating was specially designed to fit the space and, although there have been two expressions of interest for relocating the seating bank, the structure was too wide for this to be feasible.

4.6 Space requirements for the revised replacement Town Hall have been reviewed based on the reduced demand for office accommodation. The external design team utilised the revised space requirements to support the identification of a minimum site area to form part of the Call for Sites information.

5. Considerations

5.1 Marketing for the Call for Sites was completed earlier this year. This included Council webpage presence, adverts in national and local press and a mailshot to agents and interested parties. Contact was also made with local landowners who had either expressed an interest in the 2017 or 2021 site

appraisal discussions. At the closing date of 3rd February, no new sites had emerged that the Council was not already aware of and previously considered.

- 5.2 Information on each of the sites evaluated is included within Confidential Appendix 1 which also outlines the outcome of discussions with owners. The District Valuer (DV) has also been retained to provide updated valuation advice on each of the considered sites to allow discussions to continue with these parties. The DVs advice is also contained within Confidential Appendix 1.
- 5.3 The design team has also considered each site based on the revised replacement Town Hall accommodation requirements with initial spatial requirements / site layout developed. Appendix 2 shows the outcome of this further study, along with pros and cons against each site considered.

Assessment of Sites/Review Process

- 5.4 From the review of the potential sites, the land take requirements and acquisition information (including ease of purchase) were evaluated to enable the identification / prioritisation of potential sites to be undertaken. The site appraisal process was undertaken by members of the Project Working group and utilised a scoring matrix, the details of which are included within Appendix 3. The conclusions were the identification of three sites that were considered suitable and to be evaluated further. The process has drawn together and ranked each of the three potential sites based on:-

- whether it can accommodate the Council's space requirements;
- the impact that it would have for town centre regeneration;
- the complexity of site assembly; and
- probable costs, risks and timescales.

- 5.5 The three sites that met requirements based on the foregoing criteria and potentially available were Callendar Square (including the Antonine Hotel), The Bus Station, & High/Cockburn St. All were considered using standard assessment criteria. The following table summarises the outcome of the site appraisal, with more details contained in Appendix 3.

Criteria Summary	Callendar Square	High St /Cockburn St.	Bus Station	Comment
Town Centre Impact (Culture/Office)	1	2	3	Scores highlight impact on town centre change
Site Fit to our Requirements	1	1	2	Scores offer flexibility for design
Complexity of site assembly	2	3	2	Scores for ease of site assembly
Cost Impact on Business Case	1	1	1	Cost and Impact of Securing IZ monies
Risk	1	3	3	Risks across site assembly
Timescale for Delivery	1	3	3	Timescale to gain vacant possession and be able to deliver development to key milestones
Total	1	2	3	

- 5.6 Given the foregoing, it is proposed that the Council identifies Callendar Square (and the neighbouring Antonine Hotel) as its preferred site for delivery of the replacement Town Hall project and should now move to undertake detailed due diligence to secure this site and conclude the necessary negotiations. Callendar Square was constructed in 1992 as a purpose built shopping centre. Whilst in its early years it was successful in more recent times as with most town centre shopping centres there has been a general decline with an increase in vacancies and lower footfall experienced. The centre has for a number of years encountered challenging trading conditions with only Xercise4less (part of JD Gyms), the Department of Works and Pensions and a small number of independent retailers and charity stores in occupancy.
- 5.7 The Callendar Square location is sufficient in terms of size to realise the ambitions of the council for the new Falkirk Town Hall, is a prominent location in a single ownership and is available at a price that is compatible to our financial requirements. The owner is a willing seller and will work in collaboration with the council to deliver vacant possession. In addition to delivering the new Falkirk Town Hall the deliver on the site will contribute to the removal of over provision of retail space thereby reducing the overall vacancy levels around the town centre, support increased diversity of use and thereby encourage footfall. The project in this prominent location will it is expected act as a catalyst for nearby sites to be regenerated.

Draft Heads of Terms for the Preferred Site

- 5.8 Following from the Site Appraisal process outlined, more detailed discussions have continued with the owners of Callendar Square. Throughout February/March, discussions have focussed around developing a partnership (risk share) approach whereby the owners would relocate the majority of tenant interests to deliver to the Council vacant possession on a phased basis. This allows the Council to:-
- Minimise Holding Costs, and attempt to dovetail Demolition works with vacant possession, and
 - Negate the responsibility to relocate the tenants and pass this to the current owner, who already has ongoing relationships with his tenants and may be in a better position to relocate them.
- 5.8 There is a significant amount of detail in a purchase of this nature, and the Council will require to undertake a full due diligence exercise should the preferred site be agreed. Detailed due diligence work is proposed to occur immediately.
- 5.9 The draft Heads of Terms that have been developed following negotiations with the owner are included in Confidential Appendix 4. These form the basis of the proposed agreement and will be subject to the outcome of due diligence and further negotiations. The intention is to conclude the due diligence, negotiations and Heads of Terms by the end of summer 2023.

- 5.10 It is recommended that Council delegates authority to the Director of Place Services to progress to conclusion negotiations including where necessary amendment to the Heads of Terms provided they continue to represent best value for the Council.

Potential Use of Compulsory Purchase Order Powers

- 5.11 Due to the complexity of the interests on the preferred site and its history it is possible the Council may require to promote a Compulsory Purchase Order (CPO) in tandem, with voluntary negotiations. This will ensure that vacant possession can be timeously secured across all property interests to allow to the project to progress to our desired delivery timescales. It will also enable the Council to ensure that there are no title deficiencies (i.e. gaps) and that any third party rights (access rights) are extinguished.
- 5.12 Council officers will endeavour to secure control of the preferred site and have had discussions with the landowner to ensure they undertake the necessary actions to relocate any tenancies, over the next few months in parallel with the due diligence required for the council's acquisition. This will allow officers to report back on the status of negotiations with the current owners/occupants/tenants before any decision is formally sought on promoting a CPO should that be considered to be reasonably necessary in terms of keeping to programme.

Business Case / Plan Update

- 5.13 To date the Council has used a generic business plan for the project but once the Council agrees the preferred location/site, a locational specific outline business case, project delivery plan and risk schedule will be developed. This will include project timescales, high level financial (both capital and revenue) plans.
- 5.14 The outline and full business case will require to be considered/approved by both the Council, and by the Scottish/UK Governments (as part of the Growth Deal, to secure the contributions of £3m each (£6m in total)). All parties will require to approve both the outline and full business cases.
- 5.15 A high level "pre diligence" capital construction cost review has been undertaken to allow Members to understand the potential capital funding requirements for the project. This is included within Confidential Appendix 5 and highlights the indicative project costings for the various elements (Site Acquisition/Assembly, Construction and Fit Out) for the recommended site. This indicates a potential total cost of the project of approximately £59m (current worse case). This is only indicative at this stage due to the absence of a mature design, market testing and detailed site investigations etc.
- 5.16 The projected increase in cost reflects current volatility of construction prices which are still a substantial risk for the project as there are continuing inflationary pressures around materials due to shortages, labour due to availability and wider project cost elements such as higher energy and fuel costs. Whilst the inflationary pressures may normalise there is unlikely to be reduction in overall construction costs due to wider economic demand. As

construction delivery is project to commence in 2025/26 there is sufficient time to undertake detailed evaluation of costs and progress mitigation measures (i.e. value engineering, early contractor engagement and market testing). As part of the development of both outline and full business cases and the financial close process costs, risks and mitigations will continue to be refined and will provide higher degrees of certainty as the project progresses through key stages.

- 5.17 To date, business case development and financial planning work on the revenue implications for the new facility have been focussed on the performing arts component only. In reality, the facility will incorporate a new central library, a heritage offering and civic offices. As such, a substantially more detailed business case needs to take into account the opportunity for efficiencies derived from, for example, shared staff (reception, facilities management) and the opportunity to offset the running costs of the whole building with workshop fees, facility hire and potential commercial concessions.
- 5.18 An initial feasibility study was carried out in 2019 by consultants, DCA, which suggested that a replacement for FTH (theatre plus five ancillary studio/workshop spaces) 'could generate a three-fold increase in attendance and participation at a reduced net cost to the Council (versus the old FTH), transform perceptions of Falkirk and lead the regeneration of Falkirk town centre'. The study recognised that, there would still be a need for a level of subsidy which, it was predicted would fall from pre-pandemic levels of around £330,000 per annum to around £200,000 per annum. This work was updated in summer 2022 to take into account the winding up of Falkirk Community Trust (and the consequent rates liability for the new facility) and the increase in the rate of inflation and the increase in energy costs. These three factors will undoubtedly increase the subsidy level. The potential level of subsidy will need to be carefully considered and mitigated as much as possible as part of the development of the business cases and proposed future operating model. It is the view of officers that the case for a new Falkirk Town Hall has been made and generally agreed upon. The natural sequence moving forward is to acquire the site, and then develop proposals that present Elected Members with a proposal for what it would cost to deliver the facility generally desired. If this is higher than budget then officers will present options at that time for how the additional costs in terms of both capital and revenue are funded.
- 5.19 The previous feasibility work was high level and a clearer indication of the revenue costs of the performing arts and other components of the new facility will be established upon confirmation of the site selected and progression of the business case based on the development proposed. Business case development and future operating models will involve staff and will cover all aspects of the operation of the performing arts as well as its relationship with any other elements of the building (library, heritage, hub, offices and democratic services).
- 5.20 The development will create a vibrant community hub that meets the needs of local people and visitors, supports voluntary and independent arts sectors,

and professional touring companies. The voluntary arts sector which, while content to be temporarily relocated to Dobbie, Grangemouth Town and Boness Town Halls, are expecting a new, purpose-built facility. The professional touring sector continues to recover after the pandemic and we are starting to see new and exciting work of relevance to our local audiences, being commissioned. The venue will add value to the town centre's daytime and evening economies; the 2019 study estimated that the facility could generate annual economic activity within and beyond its doors of more than £7.3m, of which it was anticipated that more than £5.5m to be net new and additional activity retained in the local economy. These figures and their basis will be reviewed and updated as part of the development of the business cases and operating model options.

5.21 As agreed by Council in September 2022, the new facility will:-

- Act as a catalyst for physical regeneration of the town centre and be centrally located;
- Act as an enabler 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;
- Act as a regional fulcrum for the cultural activity;
- Reflect modern flexible working;
- Aspire to be low or zero carbon and be as energy efficient as practically possible;
- Be accessible and promote active travel; and
- Should demonstrate best value.

All of these elements will continue to be considered as part of the business case development process. The physical location elements of central location, being visible, being accessible and supporting urban realm improvements are considered compatible with the preferred Callendar Square location.

Town Centre Masterplan

5.22 The new facility and the wider urban realm development can act as a catalyst for the regeneration of the town centre. In pursuit of a comprehensive approach to the regeneration of the town hall, officers are in parallel to the new Town Hall Project work currently progressing consultations on a new town centre masterplan. This masterplan will set out the future vision for the town centre and incorporate potential development locations, uses and connections between significant investments already committed (i.e. Newmarket / Lintriggs and Grahamston Active Travel Hub) together with identifying sites that will contribute to Town Centre recovery, renewal and regeneration. This spatial framework approach will form the basis regeneration activity and seek to deliver high quality urban realms to improve town centre viability, vitality and sustainability.

5.23 Whilst the project team will continue to explore opportunities to reduce costs and increase revenues as part of the business case development process for the town hall it will also where possible seek to secure external funding to compliment the project and support wider regeneration ambitions. One of

those opportunities identified are placemaking funds with discussions to progress with the Scottish Government and Scottish Futures Trust on support that could be available to integrate the New Town Hall within the wider town centre masterplan.

Municipal Building Site Disposal

- 5.24 If the Council agree to pursue the acquisition of a Town Centre site as outlined above, the Municipal Buildings site will be surplus to requirements. It is therefore recommended that the site be marketed in a parallel process with the diligence for any new site acquisition. Any disposal will be subject to a planning consent and is likely to take around 12-18 months to complete. The site can be marketed while the demolition works are ongoing, and this will allow the Council to understand the actual receipt value that can contribute to the replacement project and be incorporated within the business case development process.
- 5.25 Members will recall that the DV confirmed his opinion of value (back in Sept 2022), as circa £4.7m for the entire site, based on the Council clearing the site, with £200k from the capital receipt to be provided to the Falkirk Common Good Fund, for the benefit of the community. Starting the disposal process early, will allow this funding to be realised as soon as possible to the Common Good Fund and will additionally highlight the Council's participation in stimulating economic benefit to assist the regeneration of the town centre.
- 5.26 Bringing the construction activity and, in time, the footfall from these units may provide additional confidence to those seeking to invest in Falkirk. It is intended to prepare for the marketing process now and commence the formal process after the conclusion of the terms of the acquisition on the new site.

Next Steps

- 5.27 As outlined above, there is significant work to progress for the next phase of diligence and business planning to allow a final report back to Council later this year. If the proposed preferred site is agreed, it is envisaged that the timescales for this initial preparatory phase of the project, (and the impact on overall project delivery), would be as follows:-

Timescale	Activity
April to August 2023	Due Diligence, Final HoTs concluded & OBC development
July 2023 to December 2023	Enabling Surveys & Preparation for Demolition Warrant (note this needs to tie into vacant possession)
August / September 2023	Update report and Outline Business Case approval (FC) submission to SG and UKG (Growth Deal)
July – December 2023	Design Team appointment and design development (stage 1).
Jan 2024 onwards	Demolition Warrant Consideration & Demolition Contractor Procurement
Sept to Dec 2023	FBC development, approval (FC) and submission to SG

	and UKG (Growth Deal)
Jan to June 2024	Pre-Planning and Planning (including consultations)
Jan 2024 to July / August 2024	Design Development (stage 2)
Dec 2023 - Feb 2024	Contractor Procurement and Engagement (Hubco)
June 2024	Growth Deal Approval
June 2024 to Dec 2024	Stage 1 Construction Delivery Proposal Development and submission (HUBco)
Jan 2025	Stage 1 Approval (FC and HUBco)
March 2025	Demolitions Commence (potentially phased) * <i>reliant on Vacant Possession</i>
Mar 2025 – August 2025	Stage 2 Construction Delivery Proposal and Submission (HUBco)
Oct 2025	Stage 2 Approval (FC and HUBco)
Jan 2026	Financial Close
Spring 2026	Initial Construction Start (indicative only)

- 5.28 It is important to note that these are only indicative timescales and that the plan will need to “flex” to take account of any new issues that emerge during the process. This will include the ability to secure vacant possession to enable demolitions to be undertaken timeously.

6. Consultation

- 6.1 Officers have consulted with Legal, Finance and Procurement regarding the recommendations of this report. It has not been possible to undertake wider and external consultation on this activity due to the sensitive and confidential nature of the proposed purchase. In addition, Elected Member briefings have been undertaken ahead of the Council meeting for the benefit of all Councillors.
- 6.2 As part of the town centre masterplanning exercise there has been engagement and consultation with local businesses and stakeholders. This will continue over the coming weeks. Initial feedback is that the proposals by the Council to deliver the New Town Hall in a prominent location within the Town Centre would be welcome by the vast majority of businesses, hopefully act as a catalyst for regeneration and encourage greater private sector investment.
- 6.3 The significant nature, and town centre location, of the project will require substantial engagement with community and business representatives as proposals progress. In addition, substantial engagement and consultation will be required as the project progress in advance, and as part of, statutory consent processes.

7. Implications

Financial

- 7.1 The General Services Capital Programme previously approved £45m 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. Since approval in 2020, many of these elements have now been completed. Given the expenditure on ancillary projects to the New Town Hall and the changes to the proposals to greatly reduce the level of office accommodation a new comprehensive business plan requires to be produced that is site specific and concentrates on the revised requirements, including aspirations to be near net zero.
- 7.2 The likely costs are outlined in Appendix 5 and include delivery of the capital elements to acquire/assemble the Callendar Square site (worst case and best case scenarios), construct the new building and to fit it out. It should be noted that the current estimate of approximately £59m (worse case) is only a high-level indication and does not account for value engineering or other cost mitigation measures. At this stage, until a detailed design is progressed and finalised, cost certainty cannot be confirmed. Confidential Appendix 5 also confirms, the potential funding streams for the project in addition to the existing remaining General Services allocation. It should be noted that based on the current estimates a funding gap for the project of approximately £6.5m is forecast.
- 7.3 The disposal of the former Municipal Buildings/FTH site will contribute to the Council's business case for delivery of the new Town Hall as will the Scottish/UK Governments £6m contribution from the Growth Deal. To secure the support under the Growth Deal the business case will require to highlight the benefits of the project in supporting the wider regeneration of the town centre. The Callendar Square location and the proposals it is considered will meet the requirements to secure this support.
- 7.4 The detailed revenue consequences of the new facility will be reviewed in detail as part of the production of the outline business case for approval and will be reported upon when completed. Members should note that given the nature of the building and its uses it is unlikely that the revenue income will cover its entire costs.

Resources

- 7.5 Appropriate legal, financial, procurement and technical resources are being identified and responsibilities defined across the Council to support the delivery of this project. In addition, external design support will continue to be engaged to assist the Council in the delivery of the project.
- 7.6 A dedicated project team will require to be established within Invest Falkirk to successfully progress and deliver the project efficiently and effectively. This will include a project manager, construction manager, clerks of works (during construction) and technical support. Posts will be funded from with the project

budget and will be augmented as appropriate by external professional and technical consultants as appropriate.

Legal

- 7.6 The Council intend to utilise external legal advisors to lead on the due diligence of any acquisition and will provide specialist support in relation to any compulsory purchase proposals.
- 7.7 Appropriate Contract Standing Orders and Procurement Rules will be adhered to as the project progresses to the next stages.

Risk

- 7.8 There are a number of high-level risks associated with the project, these are:
- **Site Acquisition** – purchase price, legal fees, Land and Building Transaction Tax, etc
 - **Demolition & Site Clearance** – asbestos and demolition costs, party/boundary wall treatments, service diversion/protection costs, etc
 - **Site Assembly Costs** – dealing with property burdens, resolution of lease issues, compensation and disturbance payments, etc
 - **Planning & Offsite Issues** – consideration as to whether a Compulsory Purchase Order (CPO) may be required, and s75 planning requirements, etc
 - **Site Redevelopment Consequential Receipts / Costs** – potential receipts, abnormal development costs, holding costs/income, etc
 - **Construction Inflation** - 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.
 - **Contractors Availability** - can be limited, therefore use of existing frameworks and early-stage engagement with a Tier 1 contractor will occur. This will also provide early market testing and deliverability assessments;
 - **Existing Building** – Any 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 preferred site is demolished and assembled;
 - **Site Assembly Cost Risks** - detailed cost breakdowns have been produced for each component and will continue to be monitored.
 - **Promotion of CPO** – the Council will require to ensure that the CPO process, if required, is dealt with timeously and that the case for CPO promotion fits with the Council's framework for the Town Centre.
 - **Business Credibility** – there is a significant risk that if the Council do not pursue this project that it will be seen as failing the foundation of town centre regeneration for the public, the business and arts communities.
 - **Zero Carbon solution** – until detailed design occurs it is difficult to predict the costs associated with our net zero carbon aspiration.
 - **Revenue Costs and Income** – this will be reviewed as part of the outline business plan but are based on forecasts and projections.

It is acknowledged that as part of the business case development process that further detail on these risks will emerge, as will mitigation strategies. A full risk register will be kept and updated as the project progresses and will incorporate any new risks which may emerge and how these will be dealt with.

Equalities

- 7.8 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.
- 7.9 A full Equality and Poverty Impact Assessment has been completed for this initial stage of the project. This is included within Appendix 6. This has identified that the project would have a neutral or positive benefit on all persons or groups identified as having a potential protected characteristic that may be impacted by the proposed new Falkirk Town Hall and the proposed location. This is initially based on the view that by locating the new FTH in Callendar Square which is a town centre location it will improve accessibility for all customers. The proposed single location for civic, library, heritage, culture and leisure service delivery will also support service access at a single location for all customers and stakeholders. Whilst the location is served by a number of nearby bus routes, is within walking distance of the railway station the addition of the adjacent car park will also provide covered parking and be of benefit to those with mobility issues. The new FTH will be a publicly accessible building and will provide access to services for all customers who may consider themselves to have a potential protected characteristic. The E
- 7.10 As part of the detailed design, business case and associated investigations are progressed the EPIA will be reviewed and refreshed to ensure that there are no negative impacts on those who consider themselves to have a protected characteristic and may consider the proposals to disproportionately disadvantage them.

8. Conclusions

- 8.1 As outlined in the report, following the call for sites exercise three locations were considered in more detail and it was determined that based on the evaluation criteria the Callendar Square (including the Antonine Hotel) option is considered the preferred option for the delivery of the new Falkirk Town Hall.
- 8.2 If approved Officers will progress the appropriate detailed due diligence and negotiations on the phasing of payments to align with vacant possession to acquire Callendar Square, In pursuance of this it is proposed that delegated authority is provided to the Director of Place Services to progress to conclusion the acquisition including where necessary the amendment of terms

provided these continue to represent best value for the Council.

- 8.3 In addition to the acquisition process it should be recognised that the council may require to progress the promotion of a compulsory purchase order to secure all interests and if this is necessary a further report will be forthcoming on this.
- 8.4 The indicative project costs outlined in the report will require to fully evaluated and will be finalised as part of the development of the full business case to ensure overall affordability for the council. Costs in relation to construction and project delivery will be confirmed as part of financial close process which will occur following the finalisation of the detailed design, market testing of construction works, the completion of the demolition process and all other associated costs. In advance of financial close, the business case at its key stages of development for the Growth Deal will be reported upon to provide members the opportunity to consider and ensure transparency.
- 8.5 Whilst the report has focused on the site selection process and potential capital costs there is a recognition that the new facility is at this early stage identified as likely to operate at a deficit and this has been estimated at approximately £200,000 at least. It is proposed that as part of the business case progression process that the operating model for the facility is evaluated and finalised as part of the financial close process. In advance of financial close, the business case at its future stages of development to secure Growth Deal support will be reported upon which will provide members the opportunity to consider and ensure transparency.
- 8.6 The identification of the preferred site is a key milestone in the delivery of the new Falkirk Town Hall and when delivered will act the main regional centre for the provision of arts, culture, and heritage together with providing a new library and civic facility. The delivery of this significant new building investment demonstrates the Council's commitment to the town centre and will act as the catalyst for its the recovery, renewal and the delivery of our wider regeneration ambitions.

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Director of Place Services

Date: 23 May 2023

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Appendices:-

- Appendix 1 - Summary of Sites Evaluated (CONFIDENTIAL)
- Appendix 2 - MLA Appraisal of Town Centre Sites for revised Council requirements
- Appendix 3 - Site Appraisal Process
- Appendix 4 - Draft Heads of Terms for Preferred Site (CONFIDENTIAL)
- Appendix 5 - Pre-Diligence – Financial Summary (CONFIDENTIAL)
- Appendix 6 - Equality and Poverty Impact Assessment.

List of Background Papers:

None