

Agenda Item	18
Report No	HC/25/17

## HIGHLAND COUNCIL

**Committee:** Highland Council

**Date:** 28 June 2017

**Report Title:** Town House Works Programme Phase 3, High Street, Inverness

**Report By:** Joint Report by the Director of Development and Infrastructure and the Inverness City Area Manager

### 1. Purpose/Executive Summary

1.1 This report seeks approval to proceed to tender to carry out comprehensive fabric works under phase 3 to all remaining sections the Town House. The works will include: full stone repairs and replacement, mortar re-pointing, roof repairs, rainwater goods renewal, window repairs and replacements.

### 2. Recommendations

2.1 Members are asked to:

- i. agree that phase 3 will include the remaining part of Building One and all remaining sections of the Town House; and
- ii. proceed to tender for phase 3 in 2017 with a total estimated project cost of **£2,300,000** for the all remaining sections of the Town House.

### **3. Introduction**

3.1 On the 2 December 2014 the City of Inverness Area Committee approved phase one to proceed to contract award and gave permission for phases two and three to proceed to tender in 2015 and 2016.

### **4. Town House – Phases 1 & 2**

- 4.1 The Town House is an asset of the Inverness Common Good Fund (ICGF) which is a Grade A listed building. The ICGF has a responsibility to maintain the structure in a good and safe condition.
- 4.2 The City of Inverness Area Committee agreed to undertake the first three phases of the Town House, to renovate the original building (Building One) (please see **appendix 1**). The estimated cost for the three phases was reported at £4.2m. Originally phase 1 was to be Castle Wynd and part of the Front elevation, phase 2 being the remaining section of the front elevation and phase 3 covering the Castle Street elevation and the rear elevation of Building One. After the completion of phase 1 it was agreed that phase 2 would include the remaining part of the front elevation and the Castle Street elevation. This would leave phase 3 as the rear section only.
- 4.3 The reason for this is that all the stain glass windows to the main hall would be completed within phase two causing only one further year of disruption to the main hall.
- 4.3 Phase 1 was completed in May 2016 and Phase 2 is due for completion in August 2017. To date the anticipated final account for phases 1 & 2 is £3.7m. Phase 3 is now a small section at the rear of Building One and the estimated cost to undertake this work is £200k. This means the total cost for building one will be in the region of £3.9m against the budget of £4.2m allocated which means a potential saving of £300k.
- 4.4 Contact was made with several third party funders. Historic Environment Scotland (HES) provided the best option and committed to the project, initially agreeing to provide 25% up to a maximum £500,000 of funding on each phase.
- 4.5 To date we have exceeded our funding target with funding to the value of £0.800m over the first 2 phases being secured from HES.
- 4.6 We will also make future applications for any further phases that are undertaken.
- 4.7 It is anticipated that the total cost to the Common Good Fund for Building One (phases 1 - 3) will be in the region of £3.1m when taking into account the grants from HES. This makes a saving to the Common Good Fund of £0.900m against the original budget.

### **5. Town House – Phase 3**

- 5.1 Under the original City of Inverness Area Committee decision taken on 2 December 2014 it was agreed that Building One will be undertaken first and the remaining parts of the Town House will be brought to future committee for a decision to be made.
- 5.2 As the original section of phase 3 (rear of Building One) is estimated at £0.200m we recommend that a different course of action should be agreed. It has been estimated that the remaining cost to complete the whole Town House is £2.3m including the £0.200m for the remaining part of Building One. It is recommended that phase 3 should include all remaining sections over a 2 year period (phase 3a & 3b) tendered as one contract. Phase

3a in year 1 would be the remaining section of Castle Street, rear section of Building One and all light wells. Phase 3b in year 2 would be the Castle Street car park elevations and the remaining Castle Wynd elevations.

- 5.3 If it was agreed to proceed with phase 3 the total cost to the Common Good Fund to complete the Town House will be in the region of £5.4m. This does not include any potential third party funding that might be available.

## 6. Expenditure Profile

- 6.1 The table below gives an expenditure profile for the Town House Phase 3 contract including contingencies and fees.

<b>Expenditure Profile</b>	<b>17/18</b>	<b>18/19</b>	<b>19/20</b>	<b>20/21</b>	<b>Total</b>
Phase 3a	100,000	1,082,000	18,000	0	<b>1,200,000</b>
Phase 3b	0	100,000	983,500	16,500	<b>1,100,000</b>
<b>Total</b>	<b>100,000</b>	<b>1,182,000</b>	<b>1,001,500</b>	<b>16,500</b>	<b>2,300,000</b>

- 6.2 It should be noted that Phase 3 is only an estimated cost and will require to be tendered, Members should note that these estimated costs may rise depending on market forces at the time of tendering

## 7. Project Management

- 7.1 The 'Client' will be represented by the Inverness City Area Manager. The Project will be managed by the Development and Infrastructure Service and there will be regular progress reports made to the City of Inverness Area Committee as appropriate with Members and other Stakeholders being involved as necessary. Stakeholders will include the Business Community and other interested parties such as the Civic Trust, Inverness Concern and the City Heritage Trust. Key liaison will also take place with Historic Scotland.

## 8. Governance

- 8.1 The project is financed by the Inverness Common Good Fund and as such under the governance regulations monthly reports will be issued to the Inverness City Area Manager who meets with the Project Manager on a monthly basis.

- 8.2 Contract Monitoring reports will be issued to the City of Inverness Area Committee.

## 9. Implications

- 9.1 Resource – A separate report will be issued by the Director of Finance to outline the financial implications for the Common Good Fund, forming part of the Investment Strategy, and Capital Planning for the Fund.

- 9.2 Legal – The Highland Council will continue to meet all its legal obligations under the terms of any contracts agreed.

- 9.3 Community (Equality, Poverty and Rural) – No implications are expected to arise from this

report.

9.4 Climate Change/Carbon Clever – All contracts will be managed in a manner which meets the Highland Council's obligations in relation to climate change.

9.5 Risk – No implications are expected to arise from this report.

9.6 Gaelic – No implications are expected to arise from this report.

## **10. Conclusion**

The proposed investment of £2.3m for the Town House phase 3 to repair the fabric of the remaining sections will bring this building back to a good standard and alleviate safety concerns to the general public. It is estimated that these works will give the Town House a further 100 years life span.

Designation: Director of Development and Infrastructure, and the Inverness City Area  
Manager

Date: 20 June 2017

Author: Jason Kelman, Principal Project Manager



-  Room 1
-  Room 2
-  Room 3
-  Room 4
-  Room 5

Inverness Town House – External Fabric Repairs

LDN Architects