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Council Building
2 High Street
Perth
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06/06/2024

Attached is a supplementary agenda for the hybrid meeting of the **Finance and Resources Committee** being held in **the Council Chamber** on **Wednesday, 12 June 2024** at **13:30**.

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THOMAS GLEN
Chief Executive

Those attending the meeting are requested to ensure that all notifications are silent on their device and other devices are in silent mode.

Please note that the meeting will be broadcast online and recorded. The recording will be publicly available on the Council's website following the meeting.

Members:

Councillor Stewart Donaldson (Convener)
Councillor Grant Laing (Vice-Convener)
Bailie Chris Ahern
Bailie Alasdair Bailey
Councillor Peter Barrett
Councillor Andy Chan
Councillor Dave Cuthbert
Councillor Eric Drysdale
Councillor John Duff
Councillor David Illingworth
Provost Xander McDade
Councillor Tom McEwan
Depute Provost Andrew Parrott
Councillor John Rebbeck
Councillor Caroline Shiers
Councillor Colin Stewart

Finance and Resources Committee

Wednesday, 12 June 2024

AGENDA

MEMBERS ARE REMINDED OF THEIR OBLIGATION TO DECLARE ANY FINANCIAL OR NON-FINANCIAL INTEREST WHICH THEY MAY HAVE IN ANY ITEM ON THIS AGENDA IN ACCORDANCE WITH THE COUNCILLORS' CODE OF CONDUCT.

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Report by Strategic Lead - Environment and Infrastructure (copy herewith 24/187) | 55 - 64 |

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PERTH & KINROSS COUNCIL

Finance & Resources Committee

12 June 2024

PITLOCHRY LOCALITY ASSET REVIEW

Report by Strategic Lead - Property Services (Report No. 24/186)

1. PURPOSE

- 1.1 To seek approval to consolidate and optimise Council assets and to develop the community asset offer in Pitlochry in line with the Council's Corporate Asset Management Framework, to ensure that our asset base is efficient, effective, and fit for purpose now and in the future within that locality.

2. RECOMMENDATIONS

- 2.1 It is recommended that Finance & Resources Committee:

- notes the extensive community engagement undertaken to date within to help shape the recommendations.
- notes review findings set out in **Section 5**.
- approves the recommendations in **Section 7** to:
 - consolidate community facilities in a redeveloped secondary school/ 'community campus' model as per **Option 2C** with a gym / 4 court games hall.
 - remodel and upgrade internal secondary school environment to make enhanced facilities more functional within existing footprint,
 - improve accessibility during and after normal school operating hours for public library, council services and leisure services at weekends,
 - consolidate locality depot arrangements at Aldour depot, declaring Cloichard depot surplus,
 - encourage and support Community Asset Transfer (CAT) of Cloichard Depot and Pitlochry Town Hall,
 - redevelop Tyree House, the area office/ library site as social housing, redevelop Atholl Leisure Centre site/building for affordable housing contributing to reducing the unmet demand in Pitlochry area,
 - establish a long-term full repair and insurance lease of the Pavilion to the Highland Perthshire Community Partnership.
 - Maintain public toilets (status quo).
- approves the funding option set out in **Section 5**.

3. STRUCTURE OF REPORT

- 3.1 This report is structured over the following sections:

- Section 4: Background
- Section 5: Review Findings:

- Section 6: Strategic Investment Advisory Group Considerations:
- Section 7: Recommendations
- Section 8: Conclusions
- Appendix: Supporting detail to report

4. BACKGROUND

Review background, scope, and drivers.

- 4.1 A key priority of the Council's Corporate Plan is to work in partnership with communities, recognising that local residents are best placed to understand the local challenges, demographics, and priorities. The Council approved a 'Campus Review' project for Pitlochry on 1 March 2023 (Report No. 24/63), and the community's views were an important part of the planning.
- 4.2 The Corporate Asset Management Framework (Report No. 24/18) set out the Council's approach to asset management and investment and introduced the concept of the Asset Challenge as a key element of its methodology. This requires any decision on the use, maintenance and investment in any asset to be evidence based and in alignment with the Council's corporate priorities and service delivery requirements, while recognising community need, climate change considerations and the overarching question of affordability.
- 4.3 The Asset Challenge methodology can be used for a single asset or a collection of assets grouped by a particular criteria (e.g. type of use etc.) The Pitlochry Property Asset Review is the first review to be undertaken using this approach on a locality basis.
- 4.4 The initial scoping indicated:
- Many of the buildings are either only open part of the week or significantly under-utilised.
 - Many of the buildings are aging and require significant investment for condition and 2045 net zero ambitions.
- 4.5 Both the Pitlochry Local Development Plan and the Pitlochry Community Action Plan show consistent messages from residents not dissimilar to the above. However, they also, as a priority, recognise the need for more good quality affordable housing to support local and key workers to remain in the area, and continued access to leisure and library spaces for the school and wider community.
- 4.6 Building upon these existing priorities, officers undertook extensive engagement in the Pitlochry area (as summarised in Appendix A) about how to deliver on these ambitions within the assets that the Council owns and manages.
- 4.7 The review considered all operational Council property assets (excluding social housing and the commercial investment estate) within the Pitlochry area. It then focussed on nine main operational assets in Pitlochry as

indicated in **Appendix A** and considered opportunities with other public sector organisations.

Other key factors

- 4.8 In January 2024 Council approved the Corporate Asset Management Framework (Report No 24/18 refers). This comprises an overarching Corporate Asset Management Policy and Strategy setting out the approach to the management of assets to deliver the Councils strategic priorities. The Property Asset Management Plan identified a need for **£1.759 billion** additional investment until 2054 to maintain the current asset base, which is beyond the current capital plan for the current property portfolio.
- 4.9 Previous relevant committee decisions relating to Pitlochry High School:
- November 2016 - Lifelong Learning Committee (Report No. 16/485) approved a School Estates Review of schools operating below capacity thresholds, with Pitlochry High School included in this scope.
 - March 2019 – Lifelong Learning Committee (Report No. 19/94) approved phase 2 of the School Estate Transformation Programme which stated that the closure of Pitlochry High School was not an option, and that staff, pupils and parents should be included in the process of developing models for senior phase education in Highland Perthshire.
 - September 2019 – Lifelong Learning Committee agreed that a detailed plan for the development of a Highland Perthshire Learning Partnership should be taken forward models for which should include the delivery of S5 and S6 from Pitlochry High School and to explore the development of and investment in the building, for the school and the wider community.
- 4.10 Since 2015/16 approximately £3.7 million has been spent on necessary improvements at the primary / high school site. Post-covid, Pitlochry Community Development Trust have undertaken an extensive and separate community consultation with many stakeholders in the community. This Pitlochry Locality Asset Review crystallises the ambition of the Lifelong Learning Committee in 2019 to work with the UHI and community to further develop options for the primary / secondary school site.
- 4.11 Concurrently PKC are leading a placed based approach to overcome organisational and sectoral boundaries to enable better collaboration and community involvement. There is work towards an inclusive communities model to enable a co-ordinated network of locality based multi-disciplinary teams, local partners and people within communities that collectively focus on early intervention and prevention. This will help us to deliver a “no wrong door” approach where frontline staff work together with partners so that people living in communities have access to the right support and the right time; enabling decisions to be made at a local level by those who know the locality and the community, best.
- 4.12 A “Campus” model further supports this collaborative approach and builds on work undertaken to date in Highland Perthshire recognising the distinctive needs of an extensive rural area. Council Teams have been brought together

e.g. schools, housing, community learning & development, welfare rights, children's services community safety etc. This has been expanded to include community groups and stakeholders who work collaboratively, building effective networks and cross organisational/partnership working to help streamline referral processes and tackling local issues.

- 4.13 The headline data regarding school utilisation provided in section 5.3 of this report demonstrates that from a capacity perspective only, there is a business rationale for consolidating secondary education in Highland Perthshire into a single site at Breadalbane Academy. This would align with the Council's approved financial principles and the stated commitment to focus on need rather than demand as the basis for making policy decisions. Given the political direction remains however, as per the previous Council decisions listed at 4.9 above and the strong desire of the community to develop more enhanced campus offer, this option has not been considered as part of this asset review.
- 4.14 Additionally whilst the options presented have been considered from a financial and operational perspective, a balance requires to be struck between these factors and the potential additional longer-term value that could be achieved by through more effective locality and place-based planning.

5. REVIEW FINDINGS

5.1 This section of the report sets out key findings on:

- Asset Challenge
- Community Feedback to Asset Challenge
- Options and Opportunities
- Finance
- Summary

Asset Challenge

- 5.2 In terms of the nine buildings within scope the estimated maintenance and repair costs over the next 5 years is estimated at **£6.9 million (£62.5 million over 30 years)**. These are estimated projections (not including inflation or unforeseen increases) and are, as yet, unfunded.
- 5.3 Complete **utilisation** data for all property asset types has been difficult to accurately capture and measure. However, 2023/24 data has been available, and areas of under-utilisation identified for the following properties:
- The **library** attracts 6,158 visitors per annum and has 200+ active users (approximately only 7% of Pitlochry's population). With an indicative property cost of **£5.60** per active user per visit (excluding staffing and stock costs), the library service has ongoing revenue pressures.
 - The **Atholl Leisure Centre** attracts only 8,185 visitors / users per annum (inclusive of school usage 5 days per week, 10hrs 45 mins per week) and this under-utilisation equates to the highest subsidy cost for LAL (Live

Active Leisure) per user across the entire leisure estate (£11.33 subsidy costs per visit).

- The **Pitlochry Town Hall** attracts 8,162 visitors per annum but is widely recognised as underutilised. It is considered a valuable asset by the community.
- The **secondary school** has a capacity of 247 but projections show a peak roll in 2027/28 of 150 pupils followed by a diminishing roll, stabilising to current levels of approximately 120 pupils. These figures demonstrate that the school premises are oversized for the current and future roll of pupils attending. The future school roll is projected to year 2030, based on housing projections and educational modelling.

5.4 All buildings within the scope of this review are in B: **Satisfactory Condition** in relation to Scottish Government Core Facts guidance.

5.5 The **Suitability** of the Pitlochry property estate is also assessed as B: Satisfactory, excluding assets not assessed as part of the core operational estate. The Council do not formally assess the suitability of the commercial or community property estate, as the usage of these facilities can change without the involvement of the Council. These buildings are however considered appropriate for use for the purposes of this review.

Community Feedback to Asset Challenge

5.6 Community feedback was initiated through “Big Place Conversation” mid 2023 leading to three workshops with the community and multiple meetings with interest groups: Pitlochry Community Action Trust, school staff, school student cohorts, Parent Council, Moulin Kirk Trust, Pitlochry pavilion user group, Pitlochry Town Hall user group and Atholl Leisure centre users. This community engagement delivered via online and in-person discussions equated to approximately **800** comments across various sites and proposals. The community engagement focussed on raising awareness surrounding the level of usage of facilities and the cost to subsidise these, in the context of the financial challenges facing the organisation.

5.7 Feedback and opportunities were not consistent, but the following themes emerged:

- Lack of current and historic investment in Pitlochry facilities;
- School not considered /perceived as a community asset;
- Leisure facilities were poor, not open at weekends, threatened with closure;
- Public library does not open enough;
- Local interest in community asset transfer; and
- Potential for housing on vacant sites.

5.8 In general, there was positive interest in the consideration of options proposed around the development of a campus model at the secondary school. More

specific considerations per facility are included in **Appendix A**. This feedback helped shape the options and opportunities below.

Options and Opportunities

Proposal 1 – Do Nothing

- 5.9 Retention of the status quo was not considered as a preferred option based on the current financial situation, long term asset liabilities, Perth and Kinross Council net zero ambitions, quality of service provision, community needs, feedback from the community and the clearly stated aspirations of the Pitlochry Community Action Plan. This was reinforced by the previous consultation undertaken and the subsequent direction of the Life Long Learning Committee in 2019.
- 5.10 A SWOT analysis included in **Appendix A** concludes that “Do Nothing” has no strengths and many clear weaknesses and threats.

Proposal 2 – Progress a Community Campus Model at Pitlochry School

- 5.11 Given that consolidating secondary education provision at a single site at Breadalbane has been discounted for reasons set out above, the only other viable option was to focus on optimising the school site; it being the largest (but also most costly) of the Council assets in Pitlochry. As the community campus model is widely recognised across Perth and Kinross, this quickly became a focus during the stakeholder consultations. There was a general consensus that a relocation of services within a single community hub at the school premises offered the best option of better and more sustainable services for the community.
- 5.12 This proposal would involve the relocation of library, leisure, and local Council offices’ functions to within existing school premises. The relocation of these services would free up currently underutilised buildings/ sites to deliver financial savings or offer redevelopment opportunities to meet wider community needs and aspirations.
- 5.13 The Community Campus model is one that is already proven in Perth, Kinross, Blairgowrie, Aberfeldy, Crieff and Blairgowrie. It provides facilities and encourages a single joined up public service provision. Pitlochry is an outlier in non-Perth secondary schools. Co located premises with a joint school / community library and shared facilities with opening hours extended compared to existing would be available. Long term carbon emissions will be easier to achieve reduce from a singular campus model compared to existing arrangements. The co-location of services within a single building has been promoted for the advantages for multi-disciplinary working and benefits for building community relationships.
- 5.14 A review of the school facilities was carried out independently by consultants Space Strategies to better understand the current and future accommodation needs from an educational perspective. Managers in Education and Learning, school staff and the pupils were engaged and consulted with as part of the process which shaped their recommendations.

- 5.15 These recommendations have been reflected into the proposals which will see an upgrade in areas but result in a net reduction in purely “school” accommodation reflecting current and future projected rolls and curriculum offering.
- 5.16 In terms of utilisation of the surplus space, options were focussed on leisure, library, and community facilities as well as general office / integrated team base facilities (as other community campuses). These various options require investment ranging from approximately **£6.2 million to £8.7 million** as detailed below and in **Appendix A**. Whilst the recommended option is the most expensive it is nonetheless considered to deliver greater value and align best with our wider strategic ambitions for the community and the area.

Proposal 2- Financial Implications

- 5.17 The purpose of asset challenge process has been to consolidate and optimise assets within Pitlochry to develop a core asset base which ensures efficient and effective service delivery and better meets the needs of the local community.
- 5.18 The **Capital** costs of change to reconfigure the secondary school building to accommodate both school core facilities and shared facilities for the community vary dependent upon the scope / extent of leisure facilities to meet the school curriculum need, match or enhance current facilities:
- **Option 2a-** Develop school and create a new 2 court games hall, meeting the essential curriculum needs of the school with minimal amount of community availability during the school’s operational hours - £6.2m
 - **Option 2b-** Develop school and create a new 2 court games hall, construct an external undercover MUGA allowing utilisation of both spaces, providing capacity to meet the essential curriculum needs of the school and offering significant community access during school hours. This proposal physically segregates school and community use through use of different internal / external spaces - £6.7m
 - **Option 2c-** The creation of a new 4 court games hall allows growth within the area for enhanced use of sports and leisure provision. This option is larger than existing, meets the essential curriculum needs of the school and due to size can be segregated internally to allow through timetabling concurrent internal school / community access during school hours. This scope is believed to meet the aspirations of a “community” campus - £8.7m

	Description	Pros	Cons
Option 1	Status Quo- Delivery of service through existing 9 properties.		Unable to deliver potential Affordable housing Current provision noted as diminishing and at risk Disparate service offering across multiple buildings
Option 2a	Extension and redevelopment of Existing Secondary School to accommodate curriculum delivery (2 court hall)	Meets need for curriculum delivery Affordable Housing options from surplus sites	Inability to enhance current service provision for leisure Restrictions on access during School operational hours doesn't meet the aspirations of the Community
Option 2b	Extension and redevelopment of Existing Secondary School to accommodate curriculum delivery (2 court hall) plus external undercover MUGA	Meets the needs of all current and Pre-COVID booking requirements Accommodation across 2 different types of provision. Enhanced service offering Affordable housing options from surplus sites	Restrictions to some sporting activities (indoor basketball)
Option 2c	Extension and redevelopment of Existing Secondary School to accommodate a new sports and leisure facility to meet desirable future aspirations (4court hall)	Meets the needs of all current and Pre-COVID booking requirements Allows for growth of Sports and Leisure Affordable housing options from surplus sites	Highest Capital and revenue costs Underutilisation based on previous usage trends.

5.19 All of the proposals represent a saving on projected capital expenditure over a 30 year period due to the reduced number of buildings / floor area even with the capital investment identified above.

Capital Summary

Site Names	Option 1- Status Quo			30 yr Capital Cost projections (<i>unfunded</i>)		
	Capital Spend 2018/19-2022/23	5yr Backlog Maintenance	30yr Investment plan	Option 2a	Option 2b	Option 2c
Aldour Ind Est (Inc TES Depot)	£ 129,499	£ 490,675	£ 7,469,460	£ 7,469,460	£ 7,469,460	£ 7,469,460
Area Offices/Library, Pitlochry	£ 3,050	£ 317,152	£ 2,117,280	£ -	£ -	£ -
Atholl Leisure Centre, Pitlochry	£ 27,974	£ 413,685	£ 4,007,800	£ -	£ -	£ -
Cloichard Depot	£ 6,566	£ 69,188	£ 1,264,560	£ -	£ -	£ -
PC, West Lane, Pitlochry	£ 1,119	£ 22,686	£ 641,880	£ 641,880	£ 641,880	£ 641,880
Pitlochry High School	£ 3,698,561	£ 1,255,508	£ 40,560,560	£ 40,560,560	£ 40,560,560	£ 40,560,560
Pitlochry Recreation Ground and Pavilion	£ 7,624	£ 102,443	£ 344,700	£ -	£ -	£ -
Pitlochry Town Hall	£ 39,859	£ 202,773	£ 2,035,170	£ -	£ -	£ -
Tyree House (Tourist Info Office)	£ 2,550	£ 125,228	£ 1,139,340	£ -	£ -	£ -
Grand Total	£ 3,916,802	£ 2,999,338	£ 59,580,750	£ 48,671,900	£ 48,671,900	£ 48,671,900
	TOTAL	£	62,580,088.00			
				Option 2a	Option 2b	Option 2c
			Cost of Change (+)	£ 6,200,000	£ 6,700,000	£ 8,700,000
			30yr Savings (-)	£ 13,908,188	£ 13,908,188	£ 13,908,188
			30yr Savings including cost of change	£ 7,708,188	£ 7,208,188	£ 5,208,188

*** These figures do not include inflationary or unknown increases*

5.20 The **Revenue** savings from disinvesting from the 5 buildings identified will be largely offset by the additional property running costs of each of the 3 options (2a, 2b, 2c) of operating an extended campus facility (an additional £100,000-£120,000).

5.21 The revenue summary costs shown below do not include potential significant additional income generated through Live Active leisure activities in an enhanced facility. The current gross annual income generated by the Atholl Leisure Centre is approx. £61k. It is assumed that the enhanced leisure

facilities will increase the usage and the subsequent revenue income at a community campus but for the purposes of the review we have excluded this potential funding stream.

Revenue Summary

Site Names	Running Costs Option 1	Running Costs Option 2		
	2022/23 Status Quo	Option 2a	Option 2b	Option 2c
Aldour Ind Est (Inc TES Depot)	£ 96,534	£ 96,534	£ 96,534	£ 96,534
Area Offices/Library, Pitlochry	£ 35,089	£ -	£ -	£ -
Atholl Leisure Centre, Pitlochry	£ 26,256	£ -	£ -	£ -
Cloichard Depot	£ 18,936	£ -	£ -	£ -
PC, West Lane, Pitlochry	£ 7,815	£ 7,815	£ 7,815	£ 7,815
Pitlochry High School	£ 419,299	£ 519,299	£ 529,299	£ 539,299
Pitlochry Recreation Ground and Pavilion	£ 12,914	£ -	£ -	£ -
Pitlochry Town Hall	£ 30,043	£ -	£ -	£ -
Tyree House (Tourist Info Office)	£ 1,991	£ -	£ -	£ -
Grand Total	£ 648,877	£ 623,648	£ 633,648	£ 643,648
		-£25,229	-£15,229	-£5,229

Revenue Summary	5yr Savings	£ 126,146	£ 76,146	£ 26,146
	30yr Savings	£ 756,877	£ 456,877	£ 156,877

*** These figures do not include inflationary or unknown increases*

- 5.22 In annual revenue terms options 2a, 2b or 2c are considered relatively cost neutral given the savings in exiting 5 current buildings.
- 5.23 Officers presented this Review for consideration to the Strategic Advisory Investment Group on 28 May 2024, initially recommending Option 2b based on it meeting the needs of the school curriculum and largely meeting the current community needs. This model did not project significant growth in community leisure use 7 days per week.
- 5.24 As has been previously discussed during budget considerations, additional investment is required to fund the existing capital programme and it is not considered prudent to incur additional borrowing at this point in time. It is therefore proposed that the existing **Capital** budget is reprioritised to take forward the recommended option. Initially, this will mean a review of the short to medium term investment in the Learning Estate and Capital Improvement Projects Programme that total over **£64 million** and a redirection of budget towards the Pitlochry project. This creates a potential risk going forward, however if the Council maintains its previously agreed policy of applying 1% of Council Tax income to supporting the Capital Budget, this risk can be managed to ensure that over the medium term, the budget can be reinstated.

Proposal 2 Opportunities- Community Asset Transfer

- 5.25 The Council approved a revised “Disposal of Surplus Land and Buildings” policy on 15 May 2024 ([Report No. 24/150](#) refers) prioritising affordable housing for surplus land and buildings.
- 5.26 Proposal 2 offers potential opportunities for community ownership of those surplus sites not deemed suitable for development as affordable housing. There has been considerable interest from local groups in exploring community asset transfer and there are currently two live expressions of

interest from community organisations for Pitlochry Town Hall and Cloichard Depot which the Council would support.

- 5.27 We are therefore working with the community in this regard and have facilitated discussions with local community groups and the Development Trust Association for Scotland ensuring that they have access to and support from the Council's Community planning team, Community Learning and Development team and 3rd party independent advice where required. Additional external funding is more likely to be available to external groups to help redevelop these facilities for the communities.

Proposal 2- Opportunities for Affordable Housing

- 5.28 Demand for affordable and social housing within Pitlochry is significant but the availability and turnover of accommodation to meet demand is low. There are **227** applicants with unmet housing need currently requiring accommodation in Pitlochry, the majority 1/ 2 bed accommodation. There is therefore an urgent need to identify and develop sites for housing within the local area.
- 5.29 By implementing Proposal 2 (the Community Campus model) the Council can potentially deliver the following additional housing subject to agreement of the housing mix:
- Area Office / Library – 4 units (refurb), 4 units (new), approximately £1.6 million HRA (Housing Revenue Account) investment including Scottish Government grant.
 - Atholl Leisure Centre – 8 units (new) or alternative refurb proposals, £2 million HRA investment including Scottish Government grant.
 - Tyree House- 3 units (refurb), 4 units (new) £1 million HRA investment including Scottish Government grant.
- 5.30 The potential additional housing is at an early feasibility stage only. If Proposal 2 is approved further work would be undertaken to inform the housing options. These will be included in the next update of the Scottish Housing Investment Programme.
- 5.31 Appendix A identifies an indicative programme for all recommendations to be delivered over a 4/5 year programme.

6. Strategic Investment Advisory Group (SIAG) Considerations

- 6.1 The purpose of the Strategic Advisory Investment Group is to provide political oversight of the Council's investment planning requirements and strategic direction to inform the 30-year investment plan in line with the Council's vision, strategies, policies, and plans.
- 6.2 This report was presented to SIAG for consideration recommending Proposal 2b for the reasons outlined above at 5.24.
- 6.3 The SIAG noted the considerations and the initial officer recommendation. It was also recognised that the community ambition for the campus throughout

the consultation was development of enhanced facilities to mirror those of other community campuses. Whilst this resulted in a more expensive option than initially proposed, it was accepted that a balance had to be struck. Members also considered that officers were being too conservative as regards their income projections and they were more optimistic as regard the potential of the enhanced community offer to generate revenue.

6.4 **Accordingly on the basis of direction provided by SIAG, it is recommended that Committee approve Option 2C with enhanced facilities.**

7. RECOMMENDATIONS

7.1 Based on findings outlined in this report and the consideration of SIAG, the following recommendations are made:

Issue	Recommendation
Fragmented and poor facilities	Consolidate community facilities in a redeveloped secondary school / community campus” model with a capital budget of £8.7m.
Utilisation of underused capacity in Secondary school	Remodel and upgrade internal secondary school environment to make enhanced facilities more functional within existing footprint, as Option 2C including a 4 court games hall / gym.
Accessibility: Highland Perthshire	In the campus model develop arrangements to improve accessibility during and after normal school operating hours for public library, council services and leisure services at weekends also.
Community Asset transfer	Encourage CAT of Cloichard Depot and Pitlochry Town Hall
Affordable / Social Housing	Redevelop Tyree House, the Area Office / Library building and site as social housing, redevelop Atholl Leisure Centre site/building for affordable housing contributing to reducing the unmet demand in Pitlochry area.
Operational Depot Review 23/24	Consolidate locality depot arrangements at Aldour depot, declaring Cloichard depot surplus.
Pavilion	Building and site owned by Pitlochry Estate Trust. Recommendations to remove PKC liabilities from this site by establishing a long-term Full repair and insurance lease for Highland Perthshire Community Partnership (HPCP) on behalf of the Pavilion User Group (PUGS).
Public Toilets	Recommendations to retain asset in its current use as part of the manned public toilet review at Budget Setting 2024/25.

7.2 These recommendations align with the following Corporate Priorities:

- Working in partnership with communities.
- Tackling poverty.
- Tackling climate change and supporting sustainable places.
- Enabling our children and young people to achieve their full potential.
- Protecting and caring for our most vulnerable people.
- Supporting and promoting physical and mental wellbeing.

7.3 These recommendations align with many of the Financial Strategy principles and specifically related to assets:

- to reduce the overall public estate and we will dispose of assets which no longer best support the delivery of our strategic objectives.

8. CONCLUSIONS

8.1 This is the first implementation of the Asset Challenge methodology since the approval of the Corporate Asset Management Framework and Property Asset Management Strategy and Plan in January 2024.

8.2 This review and the recommendations have been shaped and informed by extensive engagement with the local community and looks to reflect the priorities for the town identified through the Local Development Plan and Pitlochry Community Action Plan.

8.3 The recommendations also reflect the Council's corporate priorities, its commitment to delivering high-quality cost-effective services that communities need, mindful of the financial challenges that they are facing now and in the future.

8.4 The Committee is asked to approve the recommendations as set out in Section 7 of the report and agree the funding model as set out in Section 5.

Author

Name	Designation
Stephen Crawford	Strategic Lead, Property Services
Ryan Graham	Maintenance and Investment Principal Office, Property Services

Approved

Name	Designation	Date
Clare Mailer	Director (Strategy, People & Resources)	24.05.2024

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ANNEX

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Local Outcomes Improvement Plan	Yes
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	None
Asset Management (land, property, IST)	Yes
Assessments	
Equality Impact Assessment	None
Strategic Environmental Assessment	None
Sustainability (community, economic, environmental)	None
Legal and Governance	None
Risk	Yes
Consultation	
Internal	Yes
External	Yes
Communication	
Communications Plan	Yes

1. Strategic Implications

Local Outcomes Improvement Plan

1.1 This Review impacts on the following aspects of the Local Outcomes Improvement Plan

- (i) Poverty and cost of living
- (ii) Mental and physical wellbeing
- (iii) Digital Participation
- (iv) Learning and Development

Corporate Plan

1.2 This Review impacts on the following priorities within the Council's Corporate Plan:

- Working in Partnership with communities.
- Tackling Poverty.
- Tackling Climate Change and supporting sustainable places.
- Enabling our children and young people to achieve their full potential.
- Protecting and caring for our most vulnerable people.
- Supporting and promoting Physical and mental wellbeing.

[Corporate Plan 2022-27 Final.pdf \(pkc.gov.uk\)](#)

2. Resource Implications

Financial

2.1 There are financial implications to this report set out in section 5.

Workforce

2.2 There are no immediate workforce implications to this report although any consolidation or disinvestment in property assets may have workforce implications for LAL, CPK and PKC.

Asset Management (land, property, IT)

2.3 The asset management implications are contained within the report.

3. Assessments

3.1 The report has been considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome:

- (i) Assessed as **not relevant** for the purposes of EqIA. Equalities Impact Assessments will be prepared for any consolidation/disinvestment recommendations if approved.

Strategic Environmental Assessment

3.2 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.

3.3 The report has been considered under the Act and, no action is required as the Act does not apply to the matters presented in this report. This is because the Committee are requested to note the contents of the report only and the Committee are not being requested to approve, adopt, or agree to an action or to set the framework for future decisions.

Sustainability

3.4 Under the provisions of the Local Government in Scotland Act 2003 the Council must discharge its duties in a way which contributes to the achievement of sustainable development. Under the Climate Change (Scotland) Act 2009 the Council also has a duty relating to climate change and, in exercising its functions must act:

- in the way best calculated to delivery of the Act's emissions reduction targets;
- in the way best calculated to deliver any statutory adaptation programmes; and
- in a way that it considers most sustainable.

- 3.5 If approved the recommendations from this report will support the Council's discharging of its duties in relation to the Act.

Legal and Governance

- 3.6 There are no immediate legal and governance implications to this report.

Risk

- 3.7 A risk profile will be prepared to support implementation of these recommendations if approved.

4. Consultation

Internal

- 4.1 Transformation Board, Strategic Investment Advisory Board, the Strategic Lead, Property Services, Senior Service Manager, Education Services, Pitlochry High School Head Teacher and Strategic Lead, Finance have been consulted in the preparation of this report.

External

- 4.2 Live Active Leisure have been consulted in the preparation of this report. The review has been informed by consultation events with the Pitlochry Community.

5. Communication

- 5.1 A Communications Plan will be prepared to support implementation of the recommendations if approved.

2. BACKGROUND PAPERS

- 2.1 Appendices: A Pitlochry Property Asset Review

Appendix 1 – Pitlochry Asset Review

PITLOCHRY PROPERTY ASSET REVIEW

Locality based Property Asset review aligning with the principles of the Corporate Asset Management Framework and Property Asset Management Strategy

Property Services Locality Review
2023-2024

REV B: Amended following
recommendations at Strategic Investment
Advisory Group- March 2024

REV C: Amended following
recommendations at Strategic Investment
Advisory Group- May 2024

Introduction

In the current economic climate, there is a fundamental need for Perth & Kinross Council (PKC) to transform the way we invest in and utilise our property portfolio. Projected future increases to revenue costs indicate that the current property portfolio is unaffordable within existing budgets. Therefore, we must strategically realign to make the most of the buildings we have and dispose of those we no longer need.

In support of this our corporate Property Vision is:

“To Establish an affordable, sustainable and fit for purpose property portfolio, via locality-based asset challenge, that safely delivers the Council services and Community outcomes.”

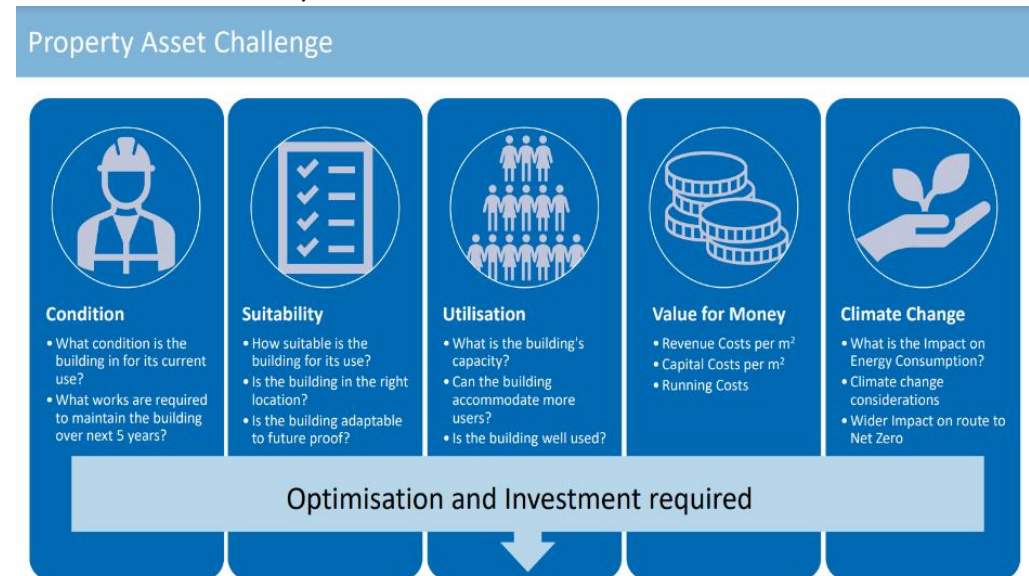
We will achieve this via delivery of the Property Asset Management Strategy, which is designed to provide coherent and structure approach to land and property asset management and support the Corporate Asset Management Plan in guiding PKC’s decision making.

In support of the vision six strategic principles have been established, these will guide decision making to ensure the property portfolio is being utilised most effectively:

1. To manage sites corporately, supporting the Councils strategic themes and priorities
2. Commit to decarbonising the property estate through proactive decision making and investment.
3. Review Assets within a locality approach to placemaking, enabling community and service provision led decision making.
4. Establish a baseline Property estate that is affordable, safe, and fit for purpose.
5. Promote inclusive economic growth and vibrant economy.
6. Work effectively with partners to maximise shared opportunities.

The Council considers the property assets in each locality using its property asset challenge model (as illustrated below).

This structured approach to asset review considers five key areas where we look at data: Condition, Suitability, Utilisation, Value for Money and Climate Change. We collate and review data across all 5 of these areas to develop a property portfolio that meets future service demand and releases properties that are no longer required. We also consider the wider strategic context for the Council and its Community Planning partners in terms of the total public service ‘offer’ which needs to be delivered in each locality.



This Locality Property Asset Review and Options Appraisal exercise considers future demand for assets and services, alongside existing assets and services ability to meet them.

Background

PKC and its partners are delivering a major transformation and change programme to reshape local public service delivery across all localities. Drivers for change include changing demographics, customer needs and increasing resource pressures.

The impact of COVID-19, work from home situation created a significant opportunity for change to traditional office-based working models. Hybrid Working has been introduced with officers working from home, central offices and within localities. Current office provision is being reviewed as part of the Working Smarter project, but it is accepted that there will be an ongoing requirement for locality-based working. This could result in a reduced need for centralised office space in future as more people are working in localities and from home as part of our new hybrid working model.

PKC Waste and Operations have recently undertaken a review of the depot estate which concluded a significant investment is required across the estate, and within Pitlochry, there is an opportunity to redevelop and co-locate services servicing the A9 corridor for Highland Perthshire.

There are currently 34 properties operated by Arm's Length External Organisations (ALEOs) Perth Theatre and Concert Hall, Live Active Leisure (LAL) and Culture Perth & Kinross (CPK). We have recently completed a review of our ALEOs which recommended rationalisation of these properties in response to changing customer needs and major affordability challenges for some buildings. This specifically involves 3no. properties within Pitlochry locality.

The Pitlochry Community Action Plan 2022-27 was published by the Pitlochry Community Steering Group in 2022 ([link](#)) and captured the views of local communities and organisations in terms of how they would like to see Pitlochry in 2030.

A locality-based property asset review has been undertaken within the Pitlochry area, to ensure that all current PKC property assets (excl. social housing) are aligned with both community and existing / projected future service delivery needs and make best use of limited resources.

Community Action Plan

Pitlochry Community Action Plan was developed as part of the Perth and Kinross Community Action Planning Programme to help the people of Pitlochry and Moulin develop their joint priority projects and make representations on behalf of the community on the issues that matter to residents, organisations and local businesses. [The Community Action plan 2022-2027](#) details the following priorities relevant to the Property Asset Challenge:



Priorities in the Plan included developing education and learning services, with Pitlochry High School proposed to become a community campus with facilities open to the community and the creation of community learning space.

Note: within the scope of this review the inclusion of S5 & S6 pupils has

been excluded and will continue to be delivered from Breadalbane Academy, as agreed within previous 2018 School review.

Conversations with the community highlighted limited availability of affordable housing and its impact on the community and local businesses, in response the Community Housing Trust was commissioned to carry out a Housing Needs Assessment (HNA) of the Pitlochry and Moulin Community Council area. This assessment provides information on housing need and demand and feeds into the housing strategy for the local area.

Strategic Reviews

PKC and their Partners are within a period of transition with completed and ongoing reviews redefining the offering of service provision within the Pitlochry area:

A review of the **Operational depots** within the Environment and Infrastructure Team concluded that Aldour Depot is a strategically placed depot to serve Highland Perthshire, however, requires substantial refurbishment and reconfiguration. The premises at **Cloichard Depot** have been identified as surplus to requirements once refurbishment works are completed at Aldour Depot to allow for better co-location of PKC waste services and operations.

Note: For the purposes of the Pitlochry review, this refurbishment has been excluded to avoid duplication and will be presented as part of the Operational Depots Strategic Business Case in 2024/25.

The Environment and Infrastructure Team also completed a review of manned **public toilet** provision throughout the estate due to increasing costs and low utilisation. The outcome of this review has identified several public conveniences as surplus, however, within the Pitlochry area, no

changes are proposed to the status quo, due to ongoing high levels of usage due to tourism in the area.

The Arm's Length Organisations (ALEOs) have undergone review as part of transformation programme (December 2023) which resulted in the following key recommendations: -

- The current ALEO property portfolio is unaffordable and parts of it are, or will be, not fit for purpose in the future.
- Future delivery models should look to streamline and maximise the use of wider estate through co-location of services.

Culture Perth & Kinross currently operate the **library** service over one and half days within Pitlochry in a dedicated venue.

Further to this wider review, a **Leisure** Asset review (January 2024) was undertaken to look at the issues specifically with regards to Live Active (LAL) properties.

This report makes recommendations to support Community Asset transfer of halls currently managed by Live Active Leisure to allow LAL to refocus the leisure offering to key sports and leisure sites. Atholl Leisure centre is identified as an unsustainably highly subsidised asset with low utilisation and high running costs, with recommendations to co-locate leisure services within Pitlochry High School.

Atholl Leisure Centre was identified for closure as a proposed saving, with recommendation to close the facility in April 2023. This recommendation was not taken by elected members and a one-year budget increase of £65,000 ([link to paper](#)) was made to retain facilities until after a review was carried out.

Impact Analysis of Strategic Decisions

The concluded Operational Depot review identified significant investment requirements for Aldour Depot and **Cloichard Depot** being made surplus to requirements, which will result in a reduced revenue costs and cost risk avoidance through disposal of the asset.

The loss of **Atholl Leisure Centre**, which is deemed unsustainable in its current operating model with significant future investment risks, will impact school Physical Education as currently the centre, primarily main Games Hall space, is used 5 days a week during school term to deliver essential SQA based programme of sport and leisure activities. The loss of leisure facilities for the community would be of detriment of various sporting groups and fitness, with the nearest usage for sport and leisure at Breadalbane Academy (Aberfeldy), 20-30mins drive. The partnership arrangement between LAL and the Health and Social Care Partnership (HSCP) would need to be relocated within alternative facilities to accommodate GP referrals, such as possibly the Pitlochry Community hospital.

The proposed operational changes to Culture Perth and Kinross library service would result in the **Area Office/ Library** building becoming surplus to requirements and allow for Strategic Housing Investment Plan to progress proposals to convert the building into Affordable Housing in accordance with Housing Needs analysis of the locality. The loss of the area office/ library building would result in relocating 3no. Housing officers in the local area. The loss identified to the community would be the use of the building for small meetings, small club usage, and assistance with Personal Computer usage.

Asset Challenge Summary

The Asset Challenge model is a systematic process which confirms ongoing liabilities and future investment requirements, per asset, to understand whether return on investment (both financial and in terms of service delivery) sufficiently justifies its use and operational need. Firmly detailing financial and resource implications for an asset under the status quo allows proposals to be drawn for optimisation, co-location or investment priorities in line with Strategic future service delivery models.

The Asset Challenge, and related 30-Year Blueprint, provide fundamental data to enable consideration of current and future budget pressures and how these can be offset/avoided by making better use of assets and disposing of others which are not financially viable. The overall unfunded pressures within Pitlochry area equate to £6.2million over 5 years and £77.5million over 30 year estimated projections (not including inflation or unforeseen increases).

Current Pitlochry property assets, excluding housing, make up 2% of the gross internal floor area of the PKC property portfolio.

Complete **Utilisation** data for all property asset types is difficult to capture / measure. However, areas of under-utilisation have been identified for properties where information has been made available during this review:

- The **library** attracts 6,158 visitors per annum and has 200+ active users (approximately 7% of Pitlochry's population). With an indicative property cost of £5.60 per active user (excluding staffing and stock costs), the library service has ongoing revenue pressures. The current library service is operated only one and a half days per week by Culture, Perth & Kinross.
- The **leisure centre** attracts 8,185 visitors per annum (inclusive of school usage 5 days per week, 10hrs 45 mins per week) this under-utilisation

equates to the highest subsidy cost for LAL per user across the entire leisure estate (£11 property costs per visit).

- The **school** roll projections show a peak roll in 2029 of 150 pupils then a diminishing roll, stabilising to current levels, equating to oversized school premises for the current and future roll of pupils attending. Future school utilisation is projected to year 2030, based on housing projections and educational modelling.

All buildings within the scope of this review are in B: Satisfactory **Condition** in relation to Scottish Government Core Facts guidance. However, maintaining these buildings over the next 5 years has a projected combined backlog investment need of £3million.

The **Suitability** of the Pitlochry property estate is also assessed as B: Satisfactory, excluding assets not assessed as part of the core operational estate. Assets such as commercial and community properties are subject to development of growth by external factors, which make these properties unsuitable for a grading based on definitive criteria.

The **Costs** associated with running costs for the Pitlochry property estate are £3.2m (based on 2023/24 costs). The Running costs for the entire PKC estate are circa £55m with an expected further increase to £75m within the next 5 years due to inflationary costs.

Through the **Climate Change** (Emissions Reduction Targets, Scotland) Act 2019. the Scottish Government set legally binding targets to achieve net zero greenhouse gas emissions by 2045, with interim targets requiring a 75% reduction by 2030, and 90% by 2040. In order to meet these targets PKC would need to remove 179tonnes of carbon from Pitlochry estate by 2045.

Community Feedback

Throughout the Pitlochry review, the Community engagement has not been carried out in isolation. The fundamentals of recent engagement from the Community Action Plan steering group, Highland Perthshire locality review and “Big Place Conversation” have all been considered and fed back through in-person workshops and an active social media presence supported by the Community Trust. PKC received approx. 800 comments through workshops, online surveys and direct discussions. The themes are shown below collated from feedback. There were no real community themes for Aldour Depot apart from a reluctance to any changes which would have a detrimental effect on operational waste service in the area.



PC, West Lane

- Asset should be retained
- Upgrade facility
- Extend opening hours



Cloichard Depot

- Consolidate within Aldour depot
- Develop for affordable housing
- Community interest in developing asset



Pitlochry Pavilion

- Asset should be retained
- Facilities in need of upgrade
- Could provide cafe/ social spaces
- Extend opening hours
- Provide accessible toilets



Atholl Leisure centre

- Relocate to Community Hub
- More variety of classes needed (all ages)
- Extend opening hours
- Develop site for housing
- Develop site for Supermarket
- Concerns over loss or diminishing service



Area Office/ Library

- Relocate to community hub
- Extend opening hours
- Library is important to all ages in Pitlochry
- Develop site for housing
- Concerns over loss or diminishing service



Pitlochry Town hall

- Renovate and maintain facility
- Develop or affordable housing
- Community interest in developing asset
- Develop site into cinema
- More variety of events/ activities for all ages needed



Tyree House

- Existing facility should be retained as visitors centre
- Relocate to better suited facilities
- Sell to fund community opportunities
- Develop Site for housing



Pitlochry School

- Relocate to Community Hub
- Re-build school facilities as a hub
- Upgrade school and facilities
- Add all weather pitches
- Concern over school safety in Campus model
- Concern for loss of dedicated school space

Proposals and Recommendations

Proposal 1 – Do nothing

The proposal to “Do nothing” will not be reflective of the status quo due to increasing costs and outcomes from transformation reviews.

From the ALEO Review and Leisure Asset Review the recommendation is co-location, within this option the community campus recommendation would not be progressed – which has the potential to impact future service provision within Pitlochry.

The Atholl Leisure Centre was suggested for closure by LAL in financial year 2023-24 amidst increased revenue pressures, a Council budget motion was passed to provide discretionary financial support that financial year. It is likely that under Proposal 1 this would continue to cause a heavily subsidised service with diminishing commercial viability in the medium term.

Pitlochry Town Hall is managed by Live Active Leisure, and as part of the Leisure Asset Review there is a refocus to Sports venues, which will result in a withdrawal from management of community facilities in 2024-25. The Culture Perth and Kinross Library Review has identified that the financial sustainability of the rural library service can only be carried out in a venue specific service within current Community Campus models. As part of the review, it is likely that the library service in Pitlochry will be changed to a mobile library service through transition in 2024-25.

These facilities have been subject for review over the past 4 years and will likely continue to be due to diminishing usage and rising revenue pressures.

The school premises are of condition B and Suitability B and as such would not be prioritised for funding or improvement in 2024-25.

The risk of Atholl leisure centre closure would cause a detrimental effect on the school PE provision which would result in a deteriorating grade of Suitability of the school. This would then result in a programme of works to PE sports hall accommodation to bring suitability in line with agreed standards to ensure suitability B was maintained. This carries an unplanned risk of approx. £4m project.

There are no proactive affordable housing proposals as part of these options and would only be considered if premises became vacant/ surplus due to rising costs.

Option 1 SWOT analysis:

Option 1 SWOT analysis identifies for both subjective and perceived assessment of the potential Strengths, Weaknesses, Opportunities, and threats



Proposal 2 – Progress Community Campus Model

Brief of Requirements

As part of the stakeholder consultation, due to the potential unsustainable nature of the property estate, there was a consensus that a relocation of services within a single community hub at the school premises should be explored. This would require the relocation of Library, Leisure and Council officers' functions to within existing school premises.

School Implications

The Scottish Government Infrastructure Investment Place for Scotland 2021-2022 to 2025-26 states that prior to replacement or new build, existing assets should be considered for repurposing / refurbishment and co-location of assets. In adherence with this strategic direction, to accommodate additional facilities there is a requirement to reconfigure internal space at the school, resulting in a phased programme of internal refurbishment.

A review of the school premises was carried out by a Space Strategies to better understand the current and future accommodation based on school utilisation and align with modern space standards and guidance.

The proposals within the Option 2 ([Appendix 2](#)) have taken these recommendations which include betterment to the school secondary school through refurbishment of key practical classrooms resulting in increased Home Economics classroom size, refurbished Technical classroom, improved dedicated HPLP classroom, more appropriate Social and Support for learning nurture spaces, and better social spaces for students.

The reconfiguration of internal space within the school has re-evaluated the school classroom provisions in line with current and future projected rolls and curriculum offering, as well as updated modern standards of

teaching. This has resulted in a reduction of 1no.- Science Classroom, 1no. general classroom, 2no. dedicated music rooms.

Leisure Requirements

Data surrounding usage of leisure facilities by the community and school identifies a need for an additional 2-court hall provision at the school to allow mutually beneficial co-location of leisure facilities. This proposal does not consider the detriment of the school offering within SQA level PE offering, precluding sports such as basketball, badminton, and Volleyball.

For the purposes of this review the leisure requirements are stated as follows:

- Essential: 2 classroom additional spaces (MUGA or 2 court games hall)
- Essential: Fitness suite (including provision for weightlifting and fitness equipment).
- Essential: Changing Accommodation
- Essential: Staff base
- *Desirable: Small Fitness suite (yoga / Pilates / weight training etc.)*
- *Desirable: Under cover Multi Used Games Facility*
- *Desirable: 4 Court Games Hall*
- *Desirable: Climbing wall provision*

PKC Service Requirements

- Essential: - Hot desk office- Capacity of 4no. officers
- Essential: - Interview room
- Essential: - Suitable storage

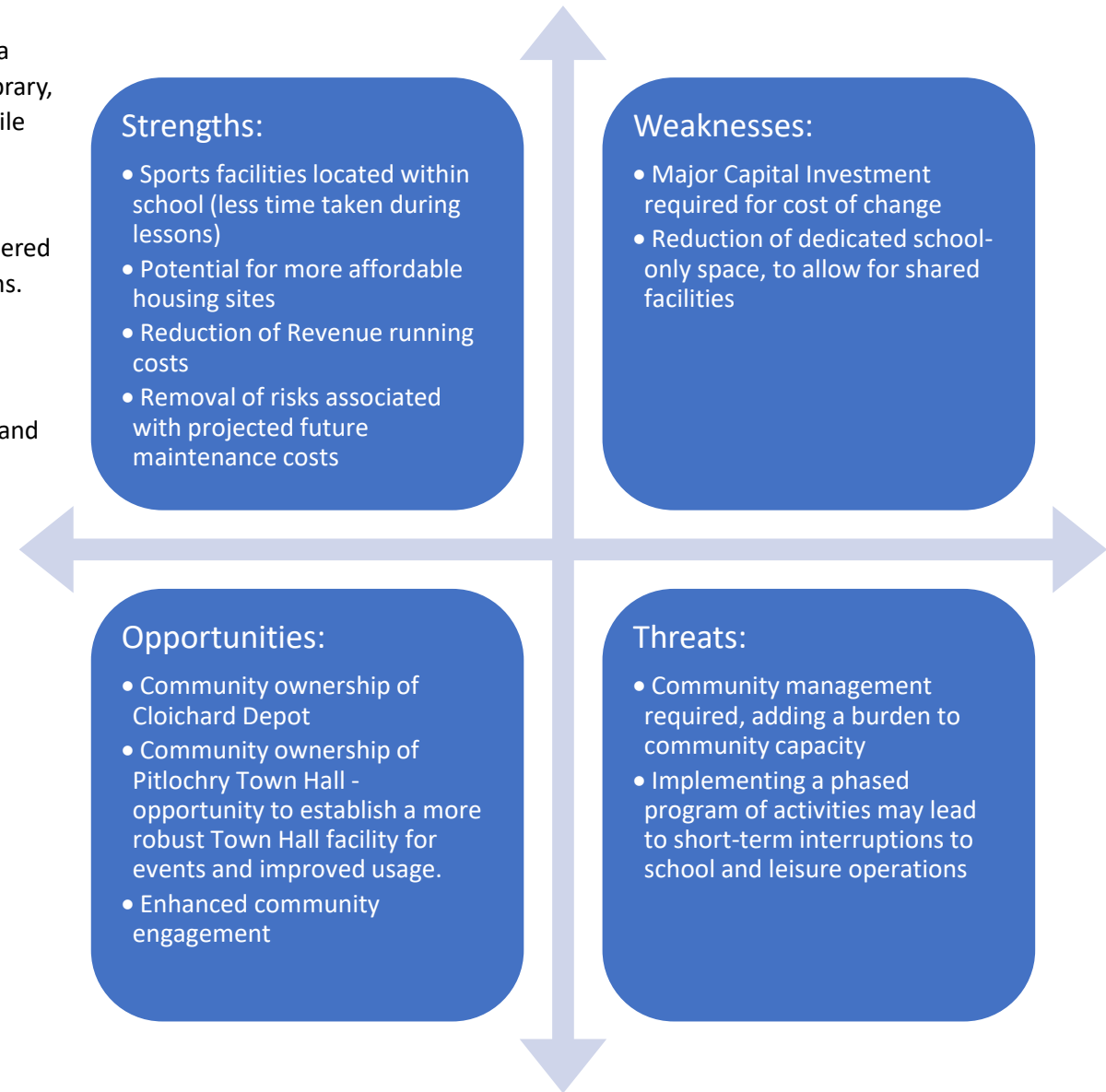
Other Community Requirements

In response to the proposed closure of the library facilities, there is a potential requirement for space to accommodate the community library, with availability for drop off service for Culture Perth & Kinross mobile library statutory provision.

Future usage of other appropriate school facilities, and Highland Perthshire Learning Partnership (HPLP) classrooms should be considered for community use, supported by management, and booking systems.

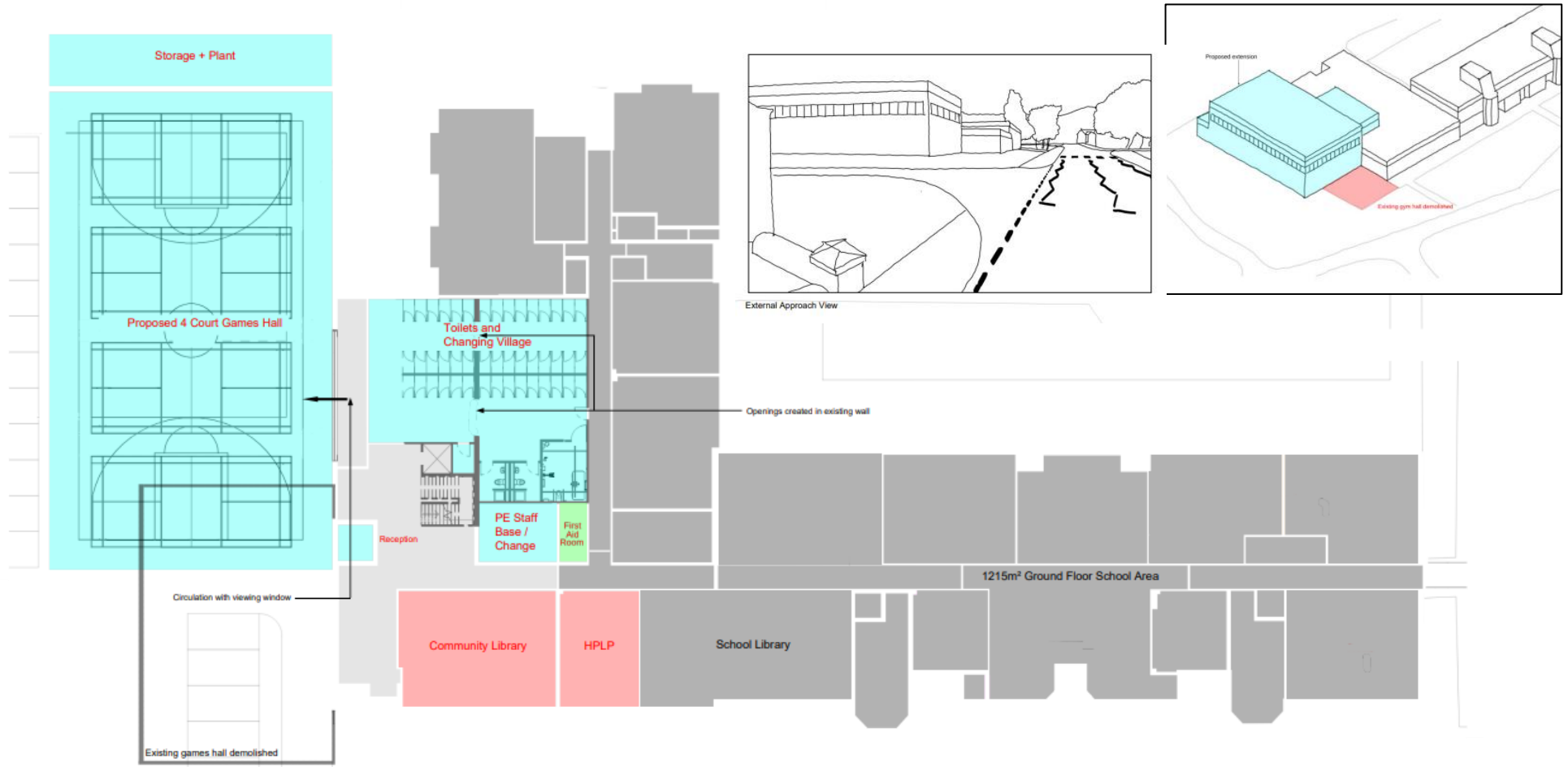
Option 2 SWOT analysis:

Option 2 SWOT analysis identifies for both subjective and perceived assessment of the potential Strengths, Weaknesses, Opportunities, and threats.



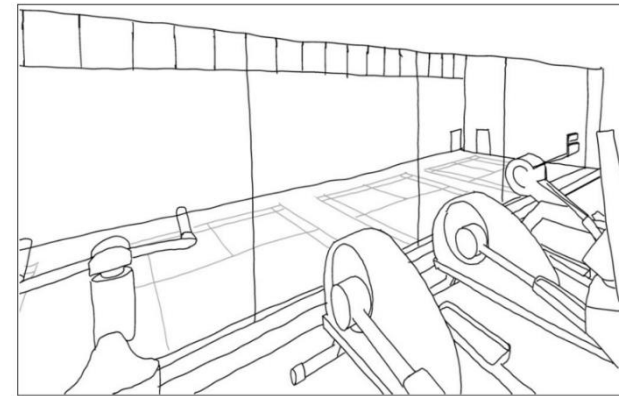
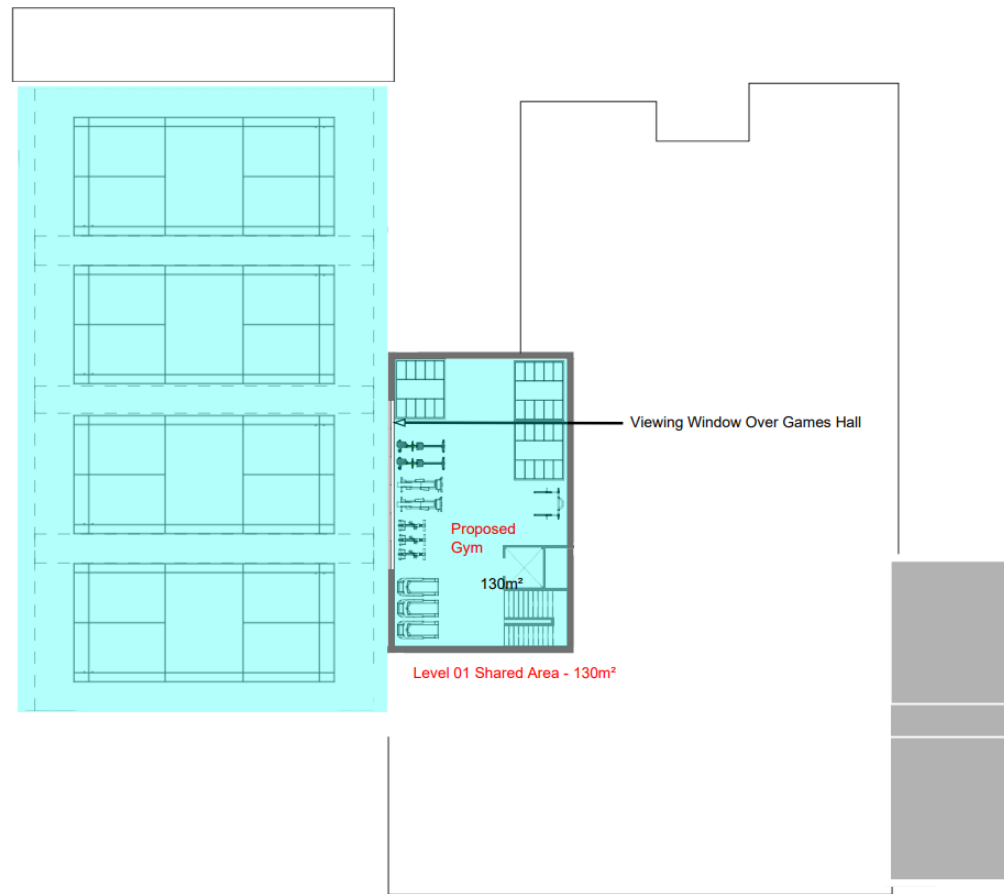
Proposal 2 – Progress Community Campus Model

Combining the essential curriculum for the school and requirements for shared community space to establish a long-term sustainable model for a community hub. The redevelopment of the secondary school premises has been proposed as below:

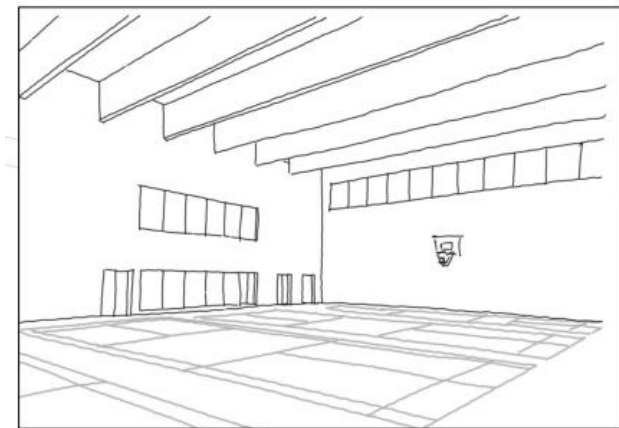


This proposal would reconfigure excess space within the secondary school to allow for additional shared facilities and space for Council services to co-locate on the premises. Space requirements have been adjusted based on student roll and teacher provision; as such there has been a reduction of one science class, one art class and one general class.

A substantial amount of refurbishment and upgrade of the existing secondary school would be required to accommodate the reconfiguration of space internally, resulting in betterment to the dedicated school space:



Sketch from avm



Internal View

This proposal is currently at a high-level feasibility stage and will require more detailed design, with stakeholder input, to ensure these works accommodate all school and community needs.

This amalgamation of service delivery into one building would result in a no requirement for Atholl Leisure Centre and Area Office/ Library, whilst benefitting from retaining these services within Pitlochry. The relocation of Atholl Leisure Centre facilities to within the school building footprint also offers benefits directly to the provision of curriculum, as with the removal of travel time pupils will gain additional PE teaching time.

The proposed refurbishment of the school includes a number of options through detailed design, however for the purposes of the strategic planning the fundamental variations within Option 2 are regarding the level of Sports hall accommodation: -

Proposals of option 2 to reconfigure the secondary school building to accommodate both school core facilities and shared facilities for the community. In addition to this, the following variations need to be considered to allow minimum 2no. additional sporting spaces in accordance with the Space Strategies assessment for Physical education and community usage without the Atholl Leisure centre (385m² hall): -

2a/ an additional 2 court Games Hall (with minimum height of 7m-289m²) Total works budget cost **£6.2m**

Option 2a would meet the space standards requirements set out for potential 2 spaces for school PE which would result in a utilisation of 53.75% allowing available space for use by community during a school day. (This option would also allow usage for multi-use sports area, consideration for badminton/ volleyball in school assembly hall or Pitlochry Town Hall). This option would require potential use of areas within school assembly and Town Hall to facilitate booking conflicts if running access to community 7 days 9am-9pm.

2b/ an additional 2 court Games Hall (with minimum height of 7m-289m²) and an under-cover Multi used games area- Total works budget cost **£6.7m**

Option 2b would meet the space standards requirements set out for potential 2 courts sports or one space booking in the body of the building with an additional 3 court sized undercover MUGA space, which allows for no conflicts for utilisation with an ability to segregate school and community areas depending on booking criteria during operational school hours.

2c/ an additional 4 court Games Hall (with minimum height of 7m- 610m²)- Total works budget cost **£8.7m**

Option 2c would meet the space standards requirements set out for potential 2 segregated spaces for school PE incorporating 4 courts, which would result in a utilisation of 35.8% allowing available space for use by community during a school day. (This option would also allow usage for Badminton/ basketball/ volleyball/ 5 aside football). This option increases provision beyond current space provision at Atholl Leisure centre and school within one major games hall.

The Campus model would also allow the creation of much needed affordable housing within the now surplus buildings at the Area Office/ Library building, Tyree House and Atholl Leisure Centre

	Description	30 yr Revenue Costs	30yr Capital Costs	30yr potential Savings	Building Footprint (GIFA)	Pros	Cons
Option 1	Status Quo- Delivery of service through existing 7 properties.	£19,466,324	£62,580,088	£----	8387m2		<ul style="list-style-type: none"> • Unable to deliver potential Affordable housing. • Current provision noted as diminishing and at risk. • Disparate service offering across multiple buildings.
Option 2a	Extension and redevelopment of Existing Secondary School to accommodate curriculum delivery (2 court hall)	£18,709,447	£54,871,900	£8,465,065	6378m2	<ul style="list-style-type: none"> • Meets need for curriculum delivery. • Affordable Housing options from surplus sites 	<ul style="list-style-type: none"> • Inability to enhance current service provision for leisure. • Restrictions on Community Use availability during school operational hours
Option 2b	Extension and redevelopment of Existing Secondary School to accommodate curriculum delivery (2 court hall) and an external undercover MUGA	£19,009,447	£55,371,900	£7,665,065	6378m2	<ul style="list-style-type: none"> • Meets the needs of all current and pre-COVID booking requirements. • Accommodation across 2 different types of provision. • Enhanced service offering • Affordable housing options from surplus sites 	<ul style="list-style-type: none"> • Restrictions to some sporting activities (indoor basketball) • Public perception could be disappointed on smaller dedicated games hall.
Option 2c	Extension and redevelopment of Existing Secondary School to accommodate a new sports and leisure facility to meet desirable future aspirations. (4court hall)	£19,309,447	£57,371,900	£5,365,065	6749m2	<ul style="list-style-type: none"> • Meets the needs of all current and pre-COVID booking requirements. • Allows growth of Sports and Leisure in the area. • Affordable housing options from surplus sites 	<ul style="list-style-type: none"> • Highest Capital and revenue costs • Underutilisation based on previous usage trends

Affordable Housing

As part of the Pitlochry Community Action plan, a Housing Needs Analysis was completed to understand the demographic of affordable housing required. There are a variety of different models for affordable housing in this area which were to be explored to achieve the recommendations in the report. For the purposes of the Property Asset Management Review the priority was to identify potential surplus sites which could deliver some of the affordable housing required.

Within the Strategic Housing Investment Plan, the Area Office/ Library site has been identified to redevelop to allow additional housing as follows: -



1478 - Pitlochry Library Feasibility
Housing Schedule

Address*	Flat Number	GIFA (Gross Internal Floor Area)	Bedspaces	Target Floor Area (Bench marked Floor Areas)	Above or Below Target Area
Elm Court 1 - 3					
(Block C)	1	69	1B2P	55	14
	2	57	1B2P	55	2
	3	109	2B4P	75	34
Elm Court 4 - 6					
(Block C)	4	75	2B4P	75	0
	5	47	1B2P	55	-8
	6	49	1B2P	55	-6
Elm Court 7 - 12					
(Block A)	7	47	1B2P	55	-8
	8	47	1B2P	55	-8
	9	47	1B2P	55	-8
	10	47	1B2P	55	-8
	11	40	1B2P	55	-15
	12	40	1B2P	55	-15
New Build Block (13 - 16 Elm Court)					
(Block B)	13	75	2B4P	75	0
	14	75	2B4P	75	0
	15	75	2B4P	75	0
	16	75	2B4P	75	0
26 - 28 Atholl Road					
(Block C)	1	57	1B2P	55	2
	2	80	2B4P	75	5
	3	68	1B2P	55	13
	4	55	1B2P	55	0
Total		20 units		1234 m2	

Estimated costs are in the region of £2.5m, these costs would be met by the ringfenced Housing Revenues Account (HRA), which is designated specifically to provide housing, other budgets are not affected by this proposal. This account would also purchase the properties at market value, releasing funds to facilitate development.

The Atholl Leisure Centre site has the capacity to be used for a variety of affordable housing models, however as per the Local Development Plan Policy we must seek efficient use of land, resulting in the most appropriate scheme for housing to have appropriate density use (high density housing) on site considering the location in town centre.

This has been explored through conversion of existing asset and through new build high level schemes.

Conversion of Atholl Leisure Centre:



- 8no. new- 1 Bedroom, 2 apartment flats
- 6no. new- 2 Bedroom, 4 apartment flats
- No off street parking.

**** Housing layouts are for illustrative purposes and will be finalised as part of Strategic Housing Investment Plan and Local Housing Strategy ****

New Build at Atholl Leisure Centre:



- 8no. new- 1 Bedroom, 2 apartment flats
- Associated parking

Estimated costs are in the region of £2m- £2.25m, these costs would be met by the ringfenced Housing Revenues Account (HRA), which is designated specifically to provide housing, other budgets are not affected by this proposal. This account would also purchase the properties at market value, releasing funds to facilitate development.

Tyree House is currently leased to Visit Scotland tourist information within the town, however after an announcement nationally from Visit Scotland regarding a restructuring of their business, this site has been identified as a future closure. With diminishing need for accommodation such as this in the area for PKC core service delivery and the need to maximise affordable housing opportunities this has been explored for a few options. Example for Conversion of Tyree House and 2 storey extension:



- 3no. new- 1 Bedroom, 2 apartment flats
- 1no. new- 2 Bedroom, 4 apartment flats
- off street parking.

Estimated costs are in the region of £1m, these costs would be met by the ringfenced Housing Revenues Account (HRA), which is designated specifically to provide housing, other budgets are not affected by this proposal. This account would also purchase the properties at market value, releasing funds to facilitate development.

Key

- New build 2 storey extension to house main door access 1 Bed cottage flats. (Pink)
- New build 2 storey extension to house main door access 1 Bed cottage flats. (Light Blue)
- 2 Bed flat within existing groundfloor of existing building (Yellow)
- 1 Bed flat within existing groundfloor of existing building (Orange)
- Existing access to upper flats (Purple)



**** Housing layouts are for illustrative purposes and will be finalised as part of Strategic Housing Investment Plan and Local Housing Strategy ****

Community Asset Transfer

The recent Leisure asset review has noted that, with the proposed withdrawal of Live Active management of community facilities, PKC would support community groups to take on the lease or ownership of these facilities through Community Asset Transfer.

The Pitlochry Town Hall is a Common Good property which solely delivers community events and meetings. This property has a large support in the community due to its long-standing historic value to the town. Pitlochry Town Hall is currently managed by Live Active Leisure, with support from Perth & Kinross Council. This current arrangement is not sustainable, and some form of Community Stewardship will be required to allow the facility to continue operating.

Cloichard Depot will become surplus to requirements for the Council in due course, and some community groups have combined their efforts to establish an expression of interest for Community Asset Transfer for this building as a multi-purpose building as a Climate Café, Men's Shed, amongst other activities.

Pitlochry Pavilion and Recreation Area has been supported by PKC to ensure long-term use of the recreation area, via a long-term fully repairing and insuring lease of the facility to the Highland Perthshire Community Partnership. The Pavilion and Recreation Area is owned by Pitlochry estates Trust, and all negotiations have been facilitated by Perth and Kinross Council for the community.

Perth & Kinross Council has facilitated discussions with community groups and The Development Trust Association for Scotland, in order that any groups looking to manage or own a property asset are supported both by PKC Community planning team and 3rd party independent advice.

Public Partners and Co-locations

The Pitlochry Community Hospital is a major NHS multi-service building which sits near the town centre. The delivery of the healthcare services for the locality by NHS are located here. Perth and Kinross Council Health and Social Care Partnership (HSCP) team are also co-located at this facility, due to the close working relationship between the services.

There is capacity within this facility which has been highlighted as a potential location for GP referrals delivered by Live Active Leisure supported by the Health and Social Care Partnership and other Council services. This will be further investigated as part of the One Public Estate discussions.

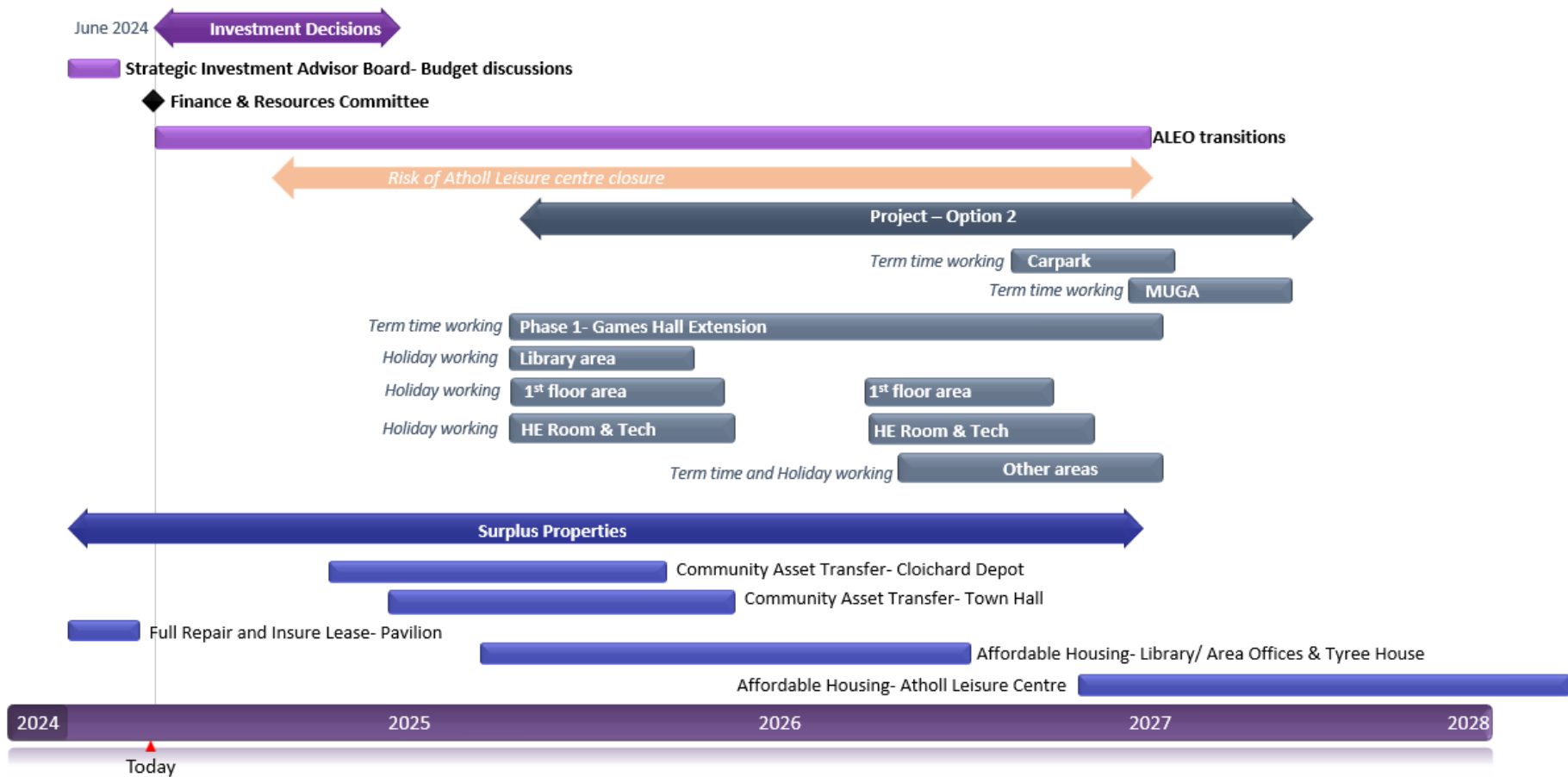
Police Scotland and Scottish Fire and Rescue are co-located within the police station in the town. This co-location of public partners is deemed an efficient use of space and enables coordinated emergency services from one location. As part of the review there is no foreseeable need to investigate further to locate within another Council property. At point of next major investment requirement of this building, a further review should be undertaken to explore opportunities to co-locate at the Community hospital.

Programme- Option 2

Option 1 – Status quo has not been considered as part of the programme, however the risks associated with this are identified within the Gannt chart below where loss of facilities may occur due to financial pressures.

Option 2-The proposals to create a Pitlochry Community campus, CAT opportunities and affordable housing.

To deliver the proposed project at Pitlochry high school, the works would need to be phased over a number of years. A high-level summary was prepared to show how this could be achieved.



Financial Analysis- Property Costs

Revenue Summary

Site Names	Running Costs Option 1	Running Costs Option 2		
	2022/23 Status Quo	Option 2a	Option 2b	Option 2c
Aldour Ind Est (Inc TES Depot)	£ 96,534	£ 96,534	£ 96,534	£ 96,534
Area Offices/Library, Pitlochry	£ 35,089	£ -	£ -	£ -
Atholl Leisure Centre, Pitlochry	£ 26,256	£ -	£ -	£ -
Cloichard Depot	£ 18,936	£ -	£ -	£ -
PC, West Lane, Pitlochry	£ 7,815	£ 7,815	£ 7,815	£ 7,815
Pitlochry High School	£ 419,299	£ 519,299	£ 529,299	£ 539,299
Pitlochry Recreation Ground and Pavilion	£ 12,914	£ -	£ -	£ -
Pitlochry Town Hall	£ 30,043	£ -	£ -	£ -
Tyree House (Tourist Info Office)	£ 1,991	£ -	£ -	£ -
Grand Total	£ 648,877	£ 623,648	£ 633,648	£ 643,648
		-£25,229	-£15,229	-£5,229

Revenue Summary	5yr Savings	£ 126,146	£ 76,146	£ 26,146
	30yr Savings	£ 756,877	£ 456,877	£ 156,877

*** These figures do not include inflationary or unknown increases*

Capital Summary

Site Names	Option 1- Status Quo			30 yr Capital Cost projections (unfunded)		
	Capital Spend 2018/19-2022/23	5yr Backlog Maintenance	30yr Investment plan	Option 2a	Option 2b	Option 2c
Aldour Ind Est (Inc TES Depot)	£ 129,499	£ 490,675	£ 7,469,460	£ 7,469,460	£ 7,469,460	£ 7,469,460
Area Offices/Library, Pitlochry	£ 3,050	£ 317,152	£ 2,117,280	£ -	£ -	£ -
Atholl Leisure Centre, Pitlochry	£ 27,974	£ 413,685	£ 4,007,800	£ -	£ -	£ -
Cloichard Depot	£ 6,566	£ 69,188	£ 1,264,560	£ -	£ -	£ -
PC, West Lane, Pitlochry	£ 1,119	£ 22,686	£ 641,880	£ 641,880	£ 641,880	£ 641,880
Pitlochry High School	£ 3,698,561	£ 1,255,508	£ 40,560,560	£ 40,560,560	£ 40,560,560	£ 40,560,560
Pitlochry Recreation Ground and Pavilion	£ 7,624	£ 102,443	£ 344,700	£ -	£ -	£ -
Pitlochry Town Hall	£ 39,859	£ 202,773	£ 2,035,170	£ -	£ -	£ -
Tyree House (Tourist Info Office)	£ 2,550	£ 125,228	£ 1,139,340	£ -	£ -	£ -
Grand Total	£ 3,916,802	£ 2,999,338	£ 59,580,750	£ 48,671,900	£ 48,671,900	£ 48,671,900
		£ 62,580,088.00				
				Option 2a	Option 2b	Option 2c
	Cost of Change (+)			£ 6,200,000	£ 6,700,000	£ 8,700,000
	30yr Savings (-)			£ 13,908,188	£ 13,908,188	£ 13,908,188
	30yr Savings including cost of change			£ 7,708,188	£ 7,208,188	£ 5,208,188

*** These figures do not include inflationary or unknown increases*

The cost of change, to create a community campus via adapting the Secondary school to include Community facilities and ensure a long-term sustainable model for leisure, library and school offering within Pitlochry area, has been assessed at a high-level budget within Option 2 ranging from **£6.2m-£8.7m**.

The cost of capital borrowing is assumed at current market value would then range from **£239k-£400k per annum** over 30 years.

The savings noted below are based on alleviating future pressures on both revenue and capital borrowing costs and are not direct annual savings.

The development proposed in Option 2 would represent a **£125k** per annum average revenue avoidance (£82kPKC/ £43k LAL) across Pitlochry Property assets, however there would be an increase in running costs based on an increased footprint and operational hours at the School.

Option 2(c) operational costs are considered to be an estimated increase of **£120k** per annum based on increased operational hours of 9am-9pm, for 7 days per week.

The increased operational costs are shown in breakdown below:-

- **Energy-£46k**
- **Soft FM (Cleaning/ Janitorial)- £57k**
- **Hard FM (Compliance/ Maintenance)- £17k**

The operational costs are based on CIBSE good practice guidelines and trend analysis which is subject to change based on unforeseen national and global circumstances.

The development proposed in Option 2 would represent a **£1.2m** over 5 years cost avoidance (£400k PKC/ £800k LAL) on Pitlochry Property assets.

The development proposed in Option 2 would represent a **£13.9 m** over 30-years cost avoidance on Pitlochry Property assets. This is assuming running costs for new facility is responsibility of PKC. The 5-year and 30-year liability costs are currently unfunded and are demonstrated in association with regards to growing backlog maintenance and level of risk management.

It should be noted that based on option 2c, the revenue savings for reduction of assets are cost neutral to additional revenue running costs for an enhanced provision for sport and leisure in the locality.

Option 2 presents the option of disposal(s) of property assets with potential of open market capital receipts (subject to CATs or transferring as affordable housing sites):

UPRN	Site	Estimated Value
7564	Atholl Leisure Centre	£170,000
7572	Cloichard Depot	£150,000
7576	Area Office/ Library	£150,000
7569	Tyree House	£100,000
TOTAL:		£570,000

Cloichard Depot and Pitlochry Town Hall are currently being progressed with community groups through Community Asset Transfer, which historically has been supported by Scottish Land funding, however the capital receipts may not be fully realised.

Pitlochry Town Hall is a Common Good asset and is valued in the region of £150k-£170k which, if disposed, this income would be ringfenced within the Pitlochry Common Good Fund i.e. the money would be available for activities which is beneficial to the interests of the inhabitants of Pitlochry through Common Good committee application process.

Conclusion and Recommendations

The key conclusions reached during this locality review are: -

- Redevelopment of the Pitlochry School to establish this facility as a Community Hub as per Option 2.
- Redevelop surplus properties for affordable housing.
- Support Community to establish Community Ownership of key properties through Community Asset Transfer.


It is recommended that the following next steps are undertaken to move to potential delivery of the preferred options:

- Redevelopment of the school under Option 2 meet the space requirements based on assessment of utilisation, Officer recommendations to progress **Option 2b** which maximises the utilisation needs from current data trends whilst offering betterment through increased access to facilities.
- Support community groups interested in Community Asset Transfer of facilities. (Cloichard Depot/ Pitlochry Town Hall)
- Full development of feasibility study and subsequent Outline Business case for Aldour Depot (to be highlighted as part of Operational Depot Review).
- Full detail design to be carried out at Pitlochry School, with further consultation with School Senior Management Team and Education and Children Services.
- Full Probable cost prepared for Business case.
- Consideration for interim arrangements costs during period of construction considering any potential gaps in service provision.

- Further consultation with Pitlochry Community on next steps and timescales.
- Review future implications of Fleet Asset Management Plan and Waste Delivery Strategy for implementation in 2030 to consider future demand at Aldour Depot and resultant potential accommodation for commercial investment and business units.
- Where community asset transfers are not realised, refer to corporate and community priorities to consider affordable rural housing proposals prior to any disposal.
- Consider savings in the context of cost avoidance based on various reviews already identifying savings and unfunded future investment cost risk avoidance. This proposal will incur additional revenue pressures within the scope of cost of change but can be offset by future investment required over 30 years across all buildings.

The asset challenge model is an important tool to understand future investment decisions and, although this has been used in the scope of the locality review, will continue to be a “business as usual” process to ensure that any changes within a locality, strategy or business change are considered in the same way, ensuring that all Council decisions are data-led and shown with transparency to all stakeholders.


Appendix 1- Key Property Asset Challenge Overview-




Site 1- Public Convenience, West Lane




Site 2- Cloichard Depot




Site 3- Pitlochry Pavilion




Site 4- Atholl Leisure Centre




Site 5- Library/ Area Office




Site 6- Town Hall



Site 7- Tyree House



Site 8- Aldour Depot








Site 9- Pitlochry High School



Site 1- PC West Lane

The Public Convenience at West Lane, Pitlochry was agreed to remain open during 2023 Manned Public toilet review and discussions with members due to its significance in a tourist area.

Service:	Economy & Place Environment & Infrastructure Team
Gross Internal Floor Area:	71m ²
Site Area:	77m ² / 0.0077 ha
Current Operating Hours:	Monday to Saturday 9am - 8pm Sunday 9am - 8pm (reduced in winter)

	Condition	B: Satisfactory – Performing adequately but showing minor deterioration (physical element carries out function satisfactorily, may show signs of age and including consideration of some transverse elements)		
	Suitability	B: Satisfactory – Performing well but with minor problems (the buildings and grounds generally support the delivery of services to tourists and communities)		
	Utilisation	149,958 users per annum 2022/23 £74,973 income per annum 2022/23		
	Property Costs	Annual costs	5-year projections	30-year projections
		£7,814	£61,756	£876,300
	Climate Change	Current Carbon	Carbon target 2030	Carbon target 2045
		3 tonnes	1 tonne	0 tonnes








** Cost estimates do not include potential inflationary increases or unforeseen price increases



Site 2- Cloichard Depot

The Cloichard Depot was identified as a potential surplus site as part of the Operational Depot review 2023-24.

Service:	Economy & Place Environment & Infrastructure Team
Gross Internal Floor Area:	221m ²
Site Area:	841m ² / 0.0077 ha
Current Operating Hours:	Throughout the week as required by operations

	Condition	B: Satisfactory – Performing adequately but showing minor deterioration (physical element carries out function satisfactorily, may show signs of age and including consideration of some transverse elements)		
	Suitability	B: Satisfactory – Performing well but with minor problems (the buildings and grounds generally support the delivery of services to tourists and communities)		
	Utilisation	Diminishing utilisation due to change in operations over past 10 years. Workshop is no longer required as a business need. Main use is storage and staff welfare		
	Property Costs	Annual costs	5-year projections	30-year projections
		£18,935	£163,863	£1,832,610
	Climate Change	Current Carbon	Carbon target 2030	Carbon target 2045
		3 tonnes	1 tonne	0 tonnes








** Cost estimates do not include potential inflationary increases or unforeseen price increases



Site 3- Pitlochry Pavilion

The Pitlochry Recreation area and Pavilion land is owned by Atholl Estate and leased to PKC for community use.

Service:	Economy & Place Environment & Infrastructure Team
Gross Internal Floor Area:	115m ²
Site Area:	44,600m ² / 4.4600 ha
Current Operating Hours:	Operated by Pavilion User Group (PUGS)

	Condition	B: Satisfactory – Performing adequately but showing minor deterioration (physical element carries out function satisfactorily, may show signs of age and including consideration of some transverse elements)		
	Suitability	PKC do not assess suitability of Community facilities, as the usage of these is determined by various community groups and open to change. The main issues identified: Accessibility/ Public Toilet provision		
	Utilisation	No Utilisation figures available from PUGS		
	Property Costs	Annual costs	5-year projections	30-year projections
		£12,914	£167,013	£694,749
	Climate Change	Current Carbon	Carbon target 2030	Carbon target 2045
		1 tonne	0.3 tonne	0 tonnes

** Cost estimates do not include potential inflationary increases or unforeseen price increases








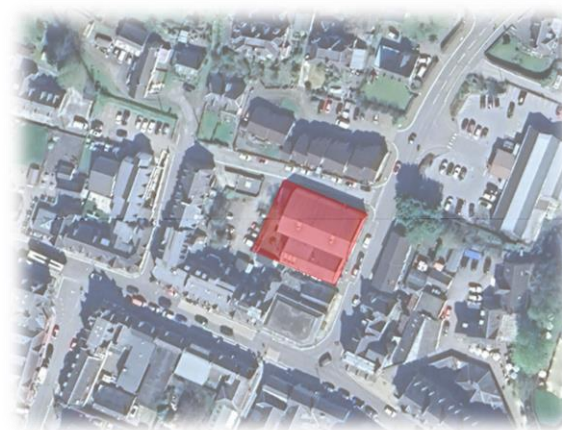


Site 4- Atholl Leisure centre

PKC own the Atholl Leisure centre building and land, however Live Active Leisure operate and are responsible for all costs. Estimated Operational costs £140k per year.

Service:	Live Active Leisure- ALEO
Gross Internal Floor Area:	820m ²
Site Area:	720m ² / 0.0072 ha
Current Operating Hours:	Mon, Wed, Thu- 14:00-21:00 Tue, Fri- 09:00-16:00 Closed Weekends

	Condition	B: Satisfactory – Performing adequately but showing minor deterioration (physical element carries out function satisfactorily, may show signs of age and including consideration of some transverse elements)		
	Suitability	Suitability not graded on these premises- Leisure provider to assess suitability of premises for commercial and operation use.		
	Utilisation	8185 no. visits, £33,783 per annum income. Resultant subsidy ranges from £11-£17 per person per visit. School utilisation of facility Mon-Fri (11.5hrs per week).		
	Property Costs	Annual costs	5-year projections	30-year projections
		£26,255	£544,963	£4,795,470
	Climate Change	Current Carbon	Carbon target 2030	Carbon target 2045
		31 tonnes	9.3 tonne	0 tonnes








** Cost estimates do not include potential inflationary increases or unforeseen price increases



Site 5- Library/ Area Office

PKC own the Library/ Area office building and land.

Service:	Culture PK- ALEO, PKC Housing
Gross Internal Floor Area:	353m ²
Site Area:	1,789m ² / 0.1789ha
Current Operating Hours:	Thu 10:00-13:00, 14:00-19:00 Sat 09:30-12:30

	Condition	B: Satisfactory – <i>Performing adequately but showing minor deterioration (physical element carries out function satisfactorily, may show signs of age and including consideration of some transverse elements)</i>		
	Suitability	Suitability not graded on these premises.		
	Utilisation	Housing Office staff reduction in use from 10 staff to 2-3 staff part-time. Library usage is deemed unsustainable model- 6,168 visits per annum with 228 active borrowers (less than 10% of the population)		
	Property Costs	Annual costs	5-year projections	30-year projections
		£35,089	£492,597	£3,168,950
2.1	Climate Change	Current Carbon	Carbon target 2030	Carbon target 2045
		7 tonnes	2.1 tonnes	0 tonnes








** Cost estimates do not include potential inflationary increases or unforeseen price increases



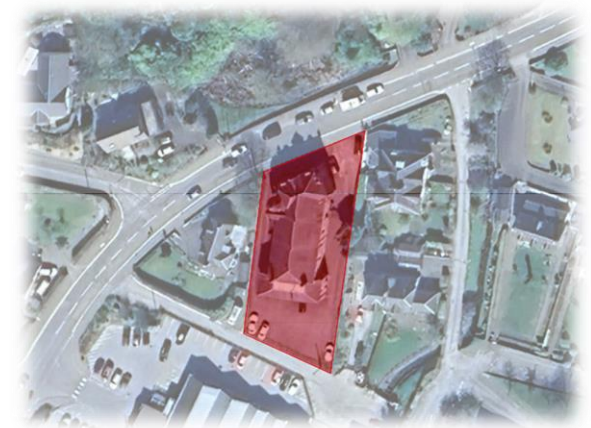
Site 6- Pitlochry Town Hall

Pitlochry Town hall is a Common Good property owned by PKC, currently managed by Live Active Leisure.

Service:	LAL- ALEO
Gross Internal Floor Area:	678m ²
Site Area:	1,315m ² / 0.1315ha
Current Operating Hours:	Managed by LAL for bookings

	Condition	B: Satisfactory – <i>Performing adequately but showing minor deterioration (physical element carries out function satisfactorily, may show signs of age and including consideration of some transverse elements)</i>		
	Suitability	Suitability not graded on these premises.		
	Utilisation	8162 visitors per annum 2022-23 £24,371 income per annum 2022-23		
	Property Costs	Annual costs	5-year projections	30-year projections
		£24,219 <i>(LAL 70%/ PKC 30%)</i>	£323,868 <i>(LAL 70%/ PKC 30%)</i>	£2,761,741 <i>(LAL 70%/ PKC 30%)</i>
2.1 	Climate Change	Current Carbon	Carbon target 2030	Carbon target 2045
		12 tonnes	3.6 tonnes	0 tonnes

**** Cost estimates do not include potential inflationary increases or unforeseen price increases**



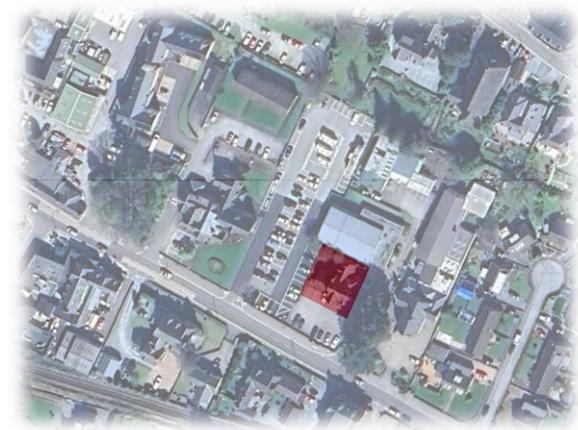


Site 7- Tyree House

Tyree House is occupied by a commercial lease on the ground floor to Visit Scotland, proposed to be surplus in future. Upper floor is used for housing.

Service:	Visit Scotland Commercial lease
Gross Internal Floor Area:	190m ²
Site Area:	913m ² / 0.0913ha
Current Operating Hours:	Managed by Visit Scotland

	Condition	B: Satisfactory – Performing adequately but showing minor deterioration (physical element carries out function satisfactorily, may show signs of age and including consideration of some transverse elements)		
	Suitability	Suitability not graded on these premises. Visit Scotland consulted during review and willing to continue operations.		
	Utilisation	Utilisation is carried out by Visit Scotland. £20,000 lease income per annum		
	Property Costs	Annual costs	5-year projections	30-year projections
By others		£125,228 backlog maintenance	Not Known	
2.1	Climate Change	Current Carbon	Carbon target 2030	Carbon target 2045
		3 tonnes	1 tonne	0 tonnes








** Cost estimates do not include potential inflationary increases or unforeseen price increases



Site 8- Aldour Depot

Aldour Depot is a strategically positioned Waste transfer station for Highland Perthshire.

Service:	Economy & Place Environment & Infrastructure Team
Gross Internal Floor Area:	879m ²
Site Area:	7,899m ² / 0.7899ha
Current Operating Hours:	7 days per week- no access to public

	Condition	B: Satisfactory – Performing adequately but showing minor deterioration (physical element carries out function satisfactorily, may show signs of age and including consideration of some transverse elements)		
	Suitability	C: Poor – Showing major problems and/or not operating optimally (The buildings and grounds impede the delivery of activities that are needed on site. Specific focus required on Staff Welfare facilities.		
	Utilisation	This site operates 7 days per week as a key operational site for Highland Perthshire to ensure logistical timings and reduction in waste carriage. 3707 tonnes of waste transferred per annum 2022-23		
	Property Costs	Annual costs	5-year projections	30-year projections
		£96,534	£973,345	£9,926,100
2.1	Climate Change	Current Carbon	Carbon target 2030	Carbon target 2045
		12 tonnes	3.6 tonnes	0 tonnes

** Cost estimates do not include potential inflationary increases or unforeseen price increases










Site 9- Pitlochry School

Pitlochry School is an all through school from nursery to S4 pupils. Young people progress to Breadalbane Academy for S5-S6. Catchment for Secondary: Blair Atholl PS, Logierait PS, Pitlochry PS.

Service:	Education & Children Services
Gross Internal Floor Area:	5,070m ²
Site Area:	31,510m ² / 3.151ha
Current Operating Hours:	5 days per week for educational use. Lets available at evenings and weekends.

	Condition	B: Satisfactory – Performing adequately but showing minor deterioration (physical element carries out function satisfactorily, may show signs of age and including consideration of some transverse elements)		
	Suitability	B: Satisfactory – Performing well but with minor problems (The buildings and grounds generally support the delivery of services and needs of the children and staff).		
	Utilisation	Nursery is at 100% capacity 2022/23 Primary School is at 60%-80% capacity 2022/23 (open plan floorplan) Secondary School is at 49% capacity 2022/23		
	Property Costs	Annual costs	5-year projections	30-year projections
		£419,299	£3,352,003	£53,139,530
	Climate Change	Current Carbon	Carbon target 2030	Carbon target 2045
		109 tonnes	76 tonnes	0 tonnes

** Cost estimates do not include potential inflationary increases or unforeseen price increases



Appendix 2- School Accommodation implications

An assessment of the school’s utilisation of space and future student rolls outlines the net effect the proposed refurbishment would make to the existing internal configuration of the school:

Class	Existing	Proposed	Comments
General Classrooms	9	8	General classrooms are generous in size provision in comparison to space standards for small cohort schools.
Science Labs	3	2	Removal of one science lab, potential for science to use general classrooms when equipment is not required.
Home Economics	1	1	Relocated to allow for full practical class size provision.
Art Classroom	1	1	Reduced in size in accordance with classroom size metrics.
Tech Workshop	1	1	Renovation of Technical workshop to modern standards
Art	2	1	Single studio space proposed on level 01. Approximately 3m ² increase in floor area.
Computing	1	1	Remains in same place. (Relocation to be further considered. Potential to move near the library and encourage community use when underutilised)
SE Provision	1	3	Proposal to provide a variety of spaces for SE. This includes a large space similar to what is available just now but smaller (80m ² to 64m ²), a smaller room for private and quieter interactions (27m ²) and also the

			potential to use the breakout / flexible working area.
Staff Space		1 staff base + flexible touch down spaces	The introduction of a 133m ² staff base which provides comfortable social spaces and touch down desk spaces for teachers to use during their non-contact periods.
Library	1	1	Relocated to allow access for community. Increase in area from 65m ² to 150m ² . (90 m ² dedicated for school use).
Changing Rooms	2	1 + accessible changing place	Changing rooms increased from a total of 81m ² approx. to 100m ² changing village (cubicle style changing facility, similar to swimming pool changing rooms).
Gym Hall	1	0	Demolished in favour of enhanced height appropriate hall.
Games Hall	0	1	Part of option discussion. 2 sports/class spaces required for utilisation
Fitness suite	3	1	3 spaces (116 m ²) combined to 1 space 130 m ²
Staff Base / Changing	1	1	Similar to current provision.
HPLP Classroom	0	1	Additional Classroom with Video conferencing capabilities

Note: this is an initial proposal of class size alterations and is subject to further discussion and specific considerations for each subject requirement.

PERTH AND KINROSS COUNCIL

Finance & Resources Committee

12 June 2024

Policy on Disposal of Minibuses

**Report by Strategic Lead - Environment and Infrastructure
(Report No. 24/187)**

1. PURPOSE

- 1.1 The purpose of this report is to seek approval to amend the Council's policy on the disposal of Fleet and Mechanical Equipment, with specific regard to minibuses which have reached the end of their operational life within Council service.

2. RECOMMENDATIONS

- 2.1 It is recommended that the Finance & Resources Committee:
- (i) agrees that the Disposal of Fleet and Mechanical Equipment Policy is amended to allow an option to transfer minibuses, if deemed suitable, to community groups;
 - (ii) remits officers to develop a policy for disposal of minibuses and selection criteria for transfer of suitable vehicles to community groups.

3. STRUCTURE OF REPORT

- 3.1 This report is structured over the following sections:

- Section 4: Background
- Section 5: Proposal
- Section 6: Conclusion
- Appendices

4. BACKGROUND

- 4.1 The disposal of minibuses currently falls under the current general policy for the disposal of Fleet & Mechanical Equipment approved as an appendix to the Fleet & Mechanical Equipment Asset Management Plan agreed by Strategic Policy & Resources Committee in June 2015 (report 15/255 refers). The current policy was last reviewed in 2022 and is attached at Appendix 1 for ease of reference.
- 4.2 The current arrangement in place for the disposal of all PKC Fleet assets is by way of public auction; via Morris Leslie auctions in Errol or Wilsons Auctions in Kilmarnock. The sale proceeds from auction contribute towards the borrowing costs for future fleet replacements. At present, income from the sale of a

minibus at auction would typically be around £2,500-£2,750. The contract for auction services is subject to usual public procurement requirements.

- 4.3 At present minibuses are generally replaced on the basis of an expected 8 year lifecycle in accordance with the Fleet Asset Management Plan approved in January as part of the Council's Corporate Asset Management Framework (report 24/18 refers). This can be extended in individual cases where it has been assessed by officers as economically viable to do so.
- 4.4 Public transport is an important and challenging issue, particularly in our more rural areas. Communities have been voicing their concerns in relation to this more and more in the last couple of years. In response to this, as part of the 2024/25 Revenue Budget, the Council agreed an investment of £325,000 over the next three years to assess the feasibility of different models of public, subsidised and community transport across Perth and Kinross.
- 4.5 We also recognise from our engagement with community groups that lack of access to a vehicle such as a minibus can be a barrier to many communities implementing their own local transport solutions, despite a willingness to do so.

5. PROPOSAL

- 5.1 Recognising the importance of community transport in any future public transport model, it is proposed that the policy position of disposal by way of public auction for minibuses be changed; allowing those that are deemed in an adequate and appropriate condition for community use, to be transferred over to them.
- 5.2 Work will require to be done to set out clear policy criteria. It will be particularly important to have clarity on what constitutes "adequate and/or appropriate for community use". Not all surplus vehicles will be suitable for transfer to community groups; key factors will be condition, anticipated life cycle post transfer, potential future repair liability and of course, safety. We also anticipate that demand for such vehicles will outweigh availability, so we will also need to establish a fair process for determining how decisions will be made.
- 5.3 It is proposed to seek political direction from the Strategic Investment Advisory Group (SIAG) to help shape the policy for disposing minibuses and the selection process. It is the intention that the new policy be brought back to the Finance and Resources Committee for approval, in September.
- 5.4 In the interim, no minibus presently scheduled for disposal shall be sent to auction. Detailed inspections can then be carried out to determine which vehicles are suitable for transfer and to ensure that these are then given an MOT prior to disposal. Anticipated minibus numbers at end of operational life by year are shown below.
 - 2024/25 = 14
 - 2025/26 = 0

6. CONCLUSION

- 6.1 The proposed change in policy means that our ability to generate an income via sale proceeds is diminished. It has the potential however to create far greater public value; presenting an opportunity to work in partnership with communities to help develop more innovative local transport solutions.
- 6.2 Whilst the new policy will be based on a presumption of transfer to community groups, it is crucial that a risk-based approach is taken to identify which vehicles are suitable for transfer to community ownership.

Authors

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Approved

Name	Designation	Date
Fraser Crofts	Strategic Lead - Environment & Infrastructure	7 June 2024

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You can also send us a text message on 07824 498145.

All Council Services can offer a telephone translation facility.

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

1. Strategic Implications

Community Plan/Single Outcome Agreement

1.1 This report supports the following of the priorities within the Community Plan 2022-27.

- (i) *Skills, learning and development.*
- (ii) *Employability*

Corporate Plan

1.2 This report supports the objectives within the draft new Corporate Plan: -

- (i) *People and businesses are increasingly able to prosper in a local economy which support low carbon ambitions and offers opportunities for all;*
- (iii) *Perth and Kinross is a safe and vibrant place, mitigating the impact of climate and environmental change for this and future generations.*

2. Resource Implications

Financial

2.1 There would be a potential loss of income from not selling the vehicles and handing them over to community groups at an average current sale receipt of £2,500-£2,750 per vehicle. As stated in paragraph 5.4, an assessment on

vehicle condition would be made after the end of operational life for the Council with the potential for some vehicles to have repair work undertaken to bring them up to MOT standard. This would be done on a case by case basis. However, this potential loss of income should be considered in the context of the wider community benefit from having access to transport at a local level with no upfront cost to community groups. It is considered that the potential level of reduction in income receipt is minimal in the context of the Council's longer term vehicle replacement programme and the associated impact on loan charges would be contained in the Fleet revenue account.

- 2.2 The Finance team reiterated the requirement that PKC have no further involvement with or responsibility for any vehicle once it is transferred to a community group.

Workforce

- 2.3 There are no direct workforce implications arising from this report.

Asset Management (land, property, IT)

- 2.4 There are direct asset management implications, as noted throughout the report.

3. Assessments

Equality Impact Assessment

- 3.1 There are no Equality Impact Assessment issues arising other than the potential benefits to those community groups acquiring minibuses from PKC.

Strategic Environmental Assessment

- 3.2 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals. There are none arising from this proposal.

Sustainability

- 3.3 The proposals in this report support the Council's policy objectives with regard to a sustainable environment.

Legal and Governance

- 3.4 As stated in paras 5.2 and 5.3 above, work will require to be carried out to set out clear policy criteria. It is proposed to seek political direction from the Strategic Investment Advisory Group (SIAG) to help shape the policy for disposing minibuses and the selection process to transfer to community groups.

Risk

- 3.5 The key risk regarding the implementation of the proposal in this report is the loss of income which has been discussed in the body of the report.

4. Consultation

Internal

- 4.1 The proposals in this report have been discussed with officers from the various relevant Council Services, as described above. Members have also been involved in some of the discussion.

External

- 4.2 There has been contact between some community groups and Council Officers and Members. This has established that there is interest in end of use minibuses by community groups.

5. Communication

- 5.1 This take place with all parties once the report has been considered.



Perth and Kinross Council

Policy for the Disposal of Fleet and Mechanical Equipment

December 2022

1. Introduction

In accordance with the Fleet and Mechanical Equipment (FaME) asset management plan assets at the end of their life will be declared as surplus and released for disposal. This policy outlines how assets which fall within FaME will be disposed of.

2. Scope

A FaME asset is defined as;

‘All fleet and mechanical equipment that requires maintenance, calibration and/or a safety & inspection test’

3. Aims and objectives

To maximise income and/or make best use of FaME assets which are declared surplus or end of life.

4. Surplus

Assets are identified as surplus in one of four ways:

1. As part of a replacement programme.

An ongoing replacement programme is currently in place for all assets.

2. When they are unserviceable and beyond economical repair.

Unserviceable fleet and mechanical equipment is deemed to be beyond economical repair by Fleet Management technical staff or categorised as a “write off” by the council’s insurers.

3. When they are deemed not fit for purpose.

FaME can be declared not fit for purpose by Fleet Management technical staff, the budget holder, Corporate Health & Safety staff, relevant statutory bodies; Driver and Vehicle Standards Agency (DVSA), Department for Transport (DfT) or through a combination of listed parties.

4. When their function is surplus to requirements.

Assets which are surplus to requirements are identified by individual services budget holders. Once identified as surplus or redundant the asset will be assessed against other Council and Service needs prior to disposal.

Requirements to be considered include potential;

- re-allocation
- spare Pool use
- re-use as spare parts

Assets declared surplus should be communicated to all relevant parties as noted in the FaME Disposal procedure to ensure the timely update of all associated inventories.

5. Disposal

Disposal includes any activity associated with the disposal and decommissioning of an asset identified within the FaME asset management plan.

All assets that are not re-used have a sell on value and should be taken through the processes detailed in the FaME Disposal Procedure.

The Council currently disposes of surplus assets via recognised industry auction houses, through the processes laid down in the FaME Disposal Procedure.

6. Finance

Monies from the sale of assets are applied to offset the cost of new asset purchases. This therefore reduces the amount of money required to be borrowed to finance the future purchase of assets.

7. Governance

The disposal of surplus and redundant assets will be managed in accordance with the Local Government in Scotland Act 2003 principle of securing Best Value.

8. Retention policies

FaME disposal records must be retained on file for 7 years in line with Health and Safety instructions.

9. Review Policy

This Policy will be reviewed on an annual basis to ensure that it reflects the changing needs of Perth & Kinross Council and its employees. The review process, although led by the Capital Investment & Asset Management Team, will include a wider consultation with Fleet Management.

