

## PERTH AND KINROSS COUNCIL

22 June 2016

**DEVELOPING THE CULTURAL OFFER IN PERTH AND KINROSS  
UPDATE AND NEXT STEPS****Report by Senior Depute Chief Executive (Equality, Community Planning &  
Public Service Reform) and Depute Chief Executive, Environment  
(Sustainability, Strategic and Entrepreneurial Development)**

This report updates Council on the outcome of options appraisal to identify an appropriate site for a major new visual arts attraction and cultural space in Perth; provides further details on capital costs of this development plus the proposed transformation of Perth Museum and Art Gallery; and sets out proposed next steps.

**1. BACKGROUND/MAIN ISSUES**

- 1.1 Report [14/438](#) to Full Council set out the key findings from initial market appraisal of cultural tourism in Perth and Kinross to guide future strategic priorities, including capital investment priorities.
- 1.2 Report [15/293](#) set out our long term strategy to respond to the market opportunity and challenge for Perth. This made clear that no single new attraction will address the opportunity and the challenge; that any new investment must be of significant national significance to build visitors from outwith the area (complemented by future infrastructure investment by the public and private sector to improve accessibility, the quality of public realm and to enhance the retail and tourist accommodation offer). Two new cultural attractions were proposed as part of the strategic response: the transformation of Perth Museum and Art Gallery showcasing the 'Ancient Roots' narrative and a major new visual arts venue and social space, focusing on the 'Modern Scots' narrative. This emphasis on different 'Perthshire Pioneers' would enable both attractions to refresh the visitor offer regularly with temporary exhibitions and touring product.
- 1.3 Report P216/77 summarised conclusions from outline business cases completed for the two proposed new attractions and conclusions from further interrogation of visitor market data, to ensure visitor number projections (and ensuing business case assumptions) are sufficiently robust.
- 1.4 Council instructed the Senior Depute Chief Executive, ECS (Equality, Community Planning and Public Service Reform) and Depute Chief Executive, Environment (Sustainability, Strategic and Entrepreneurial Development) to:
  - progress site options appraisal for the new visual arts attraction either through development of an existing building or on a location on a new site;
  - to prepare the funding strategy and outline project timelines to support further stakeholder dialogue; and
  - provide a further update to Council in June 2016.

## 2. PROPOSALS

### Perth Museum and Art Gallery

- 2.1 The costs included in the Outline Business Case presented to Council in report P216/77 for the redevelopment of Perth Museum and Art Gallery indicated a range of £6.75 - £12.5M capital development costs including £1.75 - £2.3M for enabling works..

### New visual arts attraction

- 2.2 A site options appraisal to identify a suitable location for the new visual arts attraction has been completed. A number of options were included to enable a full analysis to be undertaken. A summary of the key findings is attached at **Appendix 1**. The full consultant's report is available [here](#).
- 2.3 The overarching selection criteria included regeneration benefits, proximity to other city centre attractions, risks associated with planning requirements, a site with the potential to accommodate a building of approximately 2,100m<sup>2</sup>, and being highly accessible. Analysis of potential sites within Perth undertaken by the consultants identified three site options for further investigation, which are identified in the City Plan as potential future development sites:
- The Lesser South Inch
  - The Sheriff Court and adjacent car park
  - The City Hall
- 2.4 The options appraisal has identified City Hall as the preferred site based on its ability to satisfy the agreed selection criteria because:
- It is able to meet the accommodation requirements
  - It is a building already in the Council's ownership
  - It is right in the heart of the city centre
  - It has already secured Historic Environment Scotland support in principle for a conversion
  - The building and the surrounding space is capable of being used as a cultural and social space which will deliver significant economic benefits across the City Centre.
- 2.5 **Appendix 2** outlines the economic benefits derived from the re-use of the City Hall as the visual arts attraction.
- 2.6 The costs for the new attraction included in the OBC presented to Council in report P216/77 indicated a range of £15 - 20M capital development costs. This was included in the Council's medium term financial plan and, as such, has been included in the Council's capital programme.
- 2.7 Report 15/293 included outline business cases for the new attraction showing a total net annual operating cost in the range of £620,000 per annum (net of anticipated earned income of £989,000 pa). The current annual operating cost for Perth Museum and Art Gallery and the Fergusson Gallery is £910,000 per annum. The additional revenue requirement will require to be considered as part of the Council's budget process as Full Business Cases for both the new attraction and the proposed transformation of Perth Museum and Art Gallery are developed.

- 2.8 The total capital requirement for both projects is assessed as approximately £30M. The funding strategy proposed is as follows:
- Perth and Kinross Council: £20M
  - External funding: £10M
- 2.9 It is anticipated that external funding could be accessed through the proposed Tay Cities Deal, Heritage Lottery Fund and other organisations.
- 2.10 **Appendix 3** sets out the outline timelines for development of both facilities, with indicative opening dates of 2020. Subject to approval of the recommendations in this report, detailed discussions with potential key funders will now commence.
- 2.11 In addition, discussions need to start with key stakeholders about major loans and exhibition product, to be presented in the new facilities as part of the wider public cultural programme delivery in Perth.

### **3. CONCLUSION AND RECOMMENDATIONS**

- 3.1 The City Plan identifies a number of Big Moves to help Perth become one of Europe's Great Small Cities. Big Move 7 highlights the opportunity to invest in Perth's own cultural assets and showcase its unique place at the heart of Scotland's story, including by:
- Establishing a compelling narrative to showcase the city's permanent collections, including the works by JD Fergusson
  - Partnering with national institutions to secure long-term loans relevant to the 'Ancient Roots, Modern Scots' concept summarised at para 1.2
  - Developing a year-round programme of major, international standard temporary exhibitions which continually refresh the visitor offer, create regular/return visits including from local audiences and develop new audiences from the domestic and overseas visitor markets
  - Enabling the delivery of strong lifelong learning and community programmes which support the aim of making culture part of the social and everyday fabric of the city
  - Investing in accommodation by re-use of existing buildings or new-build to reimagine the city centre as a vibrant social, civic and community space which extends its attraction to visitors beyond retail and food and drink and helps develop the night time economy..
- 3.2 The options appraisal identifies the preferred option as the City Hall as it provides the best overall size, location and setting to deliver a major cultural attraction. The combination of a re-purposed Perth Museum & Art Gallery and a modern visual arts venue housed in a re-modelled City Hall will make a significant cultural and economic contribution to Perth; and strengthen the region's position as a key visitor destination.

3.3 It is recommended that the Council:

- i. Considers the City Hall as the preferred location for development of the new cultural attraction in Perth.
- ii. Notes the anticipated capital development costs for this and Perth Museum and Art Gallery, and the proposed funding base for the capital costs.
- iii. Instructs the Depute Chief Executive, Environment (Sustainability, Strategic and Entrepreneurial Development) to identify the best route to design and procure both cultural attractions.
- iv. Instructs the Senior Depute Chief Executive to explore funding options for the capital costs of both projects.
- v. Instructs the Senior Depute Chief Executive to develop outline public programme proposals and approach relevant bodies for support as appropriate
- vi. Instructs the Senior Depute Chief Executive and Depute Chief Executive, Environment (Sustainability, Strategic and Entrepreneurial Development) to bring back update reports, including revenue budget implications.

**Author**

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**Approved**

<b>Name</b>	<b>Designation</b>	<b>Date</b>
John Fyffe	Senior Depute Chief Executive, ECS (Equality, Community Planning & Public Service Reform)	9 June 2016
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## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

<b>Strategic Implications</b>	<b>Yes / None</b>
Community Plan / Single Outcome Agreement	<b>Yes</b>
Corporate Plan	<b>Yes</b>
<b>Resource Implications</b>	
Financial	<b>Yes</b>
Workforce	<b>Yes</b>
Asset Management (land, property, IST)	<b>None</b>
<b>Assessments</b>	
Equality Impact Assessment	<b>None</b>
Strategic Environmental Assessment	<b>None</b>
Sustainability (community, economic, environmental)	<b>None</b>
Legal and Governance	<b>None</b>
Risk	<b>None</b>
<b>Consultation</b>	
Internal	<b>Yes</b>
External	<b>Yes</b>
<b>Communication</b>	
Communications Plan	<b>No</b>

### 1. Strategic Implications

#### Community Plan / Single Outcome Agreement

1.1 This report relates to the delivery of the Perth and Kinross Community Plan / Single Outcome Agreement in terms of the following priorities:

- Promoting a prosperous, inclusive and sustainable economy
- Creating a safe and sustainable place for future generations

#### Corporate Plan

1.2 This report relates to the achievement of the Council's Corporate Plan Priorities:

- Promoting a prosperous, inclusive and sustainable economy;
- Creating a safe and sustainable place for future generations.

## 2. Resource Implications

### Financial

- 2.1 There are financial implications relating to this report. These are detailed in paras 2.6, 2.7 and 2.8.

### Workforce

- 2.2 There are no workforce implications arising from this report.

### Asset Management (land, property, IT)

- 2.3 There are asset management issues arising from this report. These are detailed in Appendix 1.

## 3. Assessments

- 3.1 The proposals have been considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome:

- (i) Assessed as **not relevant** for the purposes of EqIA

### 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.

This section should reflect that the proposals have 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

- 3.3 None.

### Legal and Governance

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

### Risk

- 3.5. There are no immediate issues or risks arising from this report. Risk profiles for the two capital projects have been prepared as part of the outline business cases and these are reviewed and updated as the projects progress.

## **4. Consultation**

### Internal

4.1 The following have been consulted in the preparation of this report:

- Chief Executive, Perth and Kinross Council
- Head of Finance
- Head of Planning and Development
- Head of Property Services

### External

4.2 The following have been consulted in the preparation of this report:

- Scottish Government
- Creative Scotland
- Historic Environment Scotland
- Chair, City Development Board
- Chair, Culture Perth and Kinross
- Scottish Court Service

## **5. Communication**

5.1 A Communications Plan will be prepared to support the development of the capital projects outlined in this report and the preparation of Perth's bid for UK City of Culture 2021, for implementation from mid-2016 onwards.

## **6. BACKGROUND PAPERS**

None.

## **7. APPENDICES**

**Appendix 1** – Site Options Appraisal – new visual arts attraction

**Appendix 2** - Economic Impact Appraisal

**Appendix 3** – Outline timeline for development of Perth Museum and Art Gallery and new visual arts attraction.

