



To: Planning and Property Policy Board

On: 12 May 2015

Report by: Director of Development and Housing Services

Heading: Russell Institute: Project Update

1. Summary

- 1.1 This report seeks to update Members on the good progress made on the Russell Institute project and provide an overview of forthcoming activity, the delivery of which is being led by Development & Housing Services.
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2. Recommendations

2.1 It is recommended that the Board

- (i) Authorises the Director of Development & Housing Services to accept the external funding awards as referred to in Section 4 of the Report below and to make the appropriate arrangements to deliver the relevant works and investment in relation to the restoration of the Russell Institute.
 - (ii) Notes the £2.5 million capital contribution from the Council funded from Town Centre Heritage Asset Strategy monies as agreed by Council in February 2013 and February 2014, and supplemented by rental income, towards the total project budget of £5 million.
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3. **Background**

- 3.1 As an integral part of the Paisley Heritage Asset Strategy, the restored Russell Institute will provide office space to accommodate a Skills and Employability Hub which will benefit the Renfrewshire economy. Funded by a range of external funders and the Council through approved service budgets, the project will provide centralised services whilst bringing a valuable historic building back into active use.
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4. **Progress to date**

- 4.1. **Transfer of ownership:** Ownership of the building was successfully transferred to Renfrewshire Council on 16th January 2015. In order to protect this valuable heritage asset, a security company has been contracted to provide 24hr on site security. This will continue until the main contractor takes control of the site.
- 4.2. **External Funding:** The second and final grant claim for £1,609,126 was submitted for the balance of the approved Regeneration Capital Grant Fund grant and the claim was subsequently paid in full. In relation to the Grant from Historic Scotland, an indicative offer of £475,000 has now been confirmed, however it should be noted that the final grant figure is dependent on tendered costs and it is anticipated that the maximum available grant of £500,000 will be secured.
- 4.3. **Project Team:** Following the conclusion of a successful tender process, the main contractor, CBC (Glasgow) Ltd was appointed in February and is working collaboratively with the Project Team.
- 4.4. **Legal Issues:** In order to obtain the required approval to erect scaffolding over the adjacent property at No28 Causeyside Street to enable works to be carried out to the gable wall, a Licence to Occupy has been agreed.
- 4.5. **Lease Agreement:** Provisional Heads of Terms have now been agreed with Skills Development Scotland.
- 4.6. **Project Timescale:** Internal works have begun on the building with the removal of materials and a detailed programme is being prepared for the main construction phase. These works will be timed to ensure that there is no impact on external funding or the operational requirements of SDS and the Council's Employability Services who will operate from this building. Completion is scheduled for Autumn 2016.
- 4.7 It is anticipated that regular updates will be brought to the Board during the refurbishment of this key part of Renfrewshire's heritage.

5. Project finance

5.1 As referred to in paragraph 4.2 above, significant funds have been confirmed from external sources. Nevertheless there is a requirement for additional Council funds to deliver the project. Council budgets made available to fund Paisley Heritage Asset Strategy projects, supported by rental income from Skills Development Scotland, will support borrowing up to a maximum Council contribution of £2.5 million. It should be noted that the final project costs are dependent on ongoing tender exercises for works. The level of Council funding will be matched to the final project cost.

5.2 The budget estimates and sources are summarised in the following table.

	2014/15	2015/16	2016/17	TOTAL
Russell Institute – Estimate project costs	304,948	2,195,052	2,500,000	5,000,000
Funded by:				
General Capital Grant	0	0		
Regeneration Capital Grant Fund (RCGF)	204,948	1,795,052		2,000,000
Historic Scotland	100,000	400,000		500,000
CFCR	0	0		
Funding Source - Mainline	0	0		
Prudential Borrowing	0	0	2,500,000	2,500,000
	304,948	2,195,052	2,500,000	5,000,000

Implications of the Report

1. **Financial** - The Regeneration Capital Grant Fund has now been received in full. Historic Scotland has approved an indicative Building Repair Grant of £475,000, the final grant being confirmed following the tender process for construction works. The Council's contribution is secured through approved Council budgets for the implementation of the Paisley Heritage Asset Strategy, approved by Council in February 2013 and February 2014.
2. **HR & Organisational Development** – None
3. **Community Planning: Greener:** The project will provide a sustainable future for this key category A listed building within Paisley Town Centre Conservation Area.

4. **Legal** – A Licence to Occupy is being prepared to enable access over the adjacent property and works to the gable wall to be carried out.
5. **Property/Assets** - The property is now in Council ownership and a security company provides 24hr on site security.
6. **Information Technology** – The accommodation will incorporate and ICT provision suitable for Council services and tenant organisations.
7. **Equality & Human Rights** - The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – The removal of hazardous material from the building and subsequent construction works will be carried out in accordance with statutory requirements.
9. **Procurement** – Appointments are made in accordance with the Council's statutory requirements in respect of the EU regulatory requirements, the Council's Standing Orders Relating to Contracts and the Council's Financial Regulations.
10. **Risk** – none
11. **Privacy Impact** – A Privacy Impact Assessment in relation to the provision of a CCTV system within the Russell Institute has been completed in association with Legal Services.

List of Background Papers

- a) Report to Planning and Property Policy Board on 11th November 2014 "Russell Institute: Update November 2014"
- b) Regeneration Capital Grant Fund application form, project RCGF/13/0092, the Russell Institute Paisley
- c) Motion presented to Council meeting on 13th February 2014 Revenue Budget and Council Tax 2014/15 item no5
- d) Report to Planning and Property Policy Board on 21st January 2014 "Russell Institute Update"
- e) Motion presented to Council meeting on 14th February 2013 Revenue Budget and Council Tax 2013/14 item no9.

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