

# PFI DATA SHEET

## PERTH & KINROSS COUNCIL - THE PROVISION OF OFFICE ACCOMMODATION AND A MULTI-STOREY CAR PARK

Perth and Kinross Council signed a PFI contract with Kinnoull House Ltd, a Consortium comprising Morrison Construction and the Royal Bank of Scotland provided Perth and Kinross Council with serviced office accommodation in the centre of Perth for over 700 of its staff. In addition, a new multi-storey car park facility adjacent to the offices provide 555 spaces.



### Background

Following local government reorganisation in April 1996, staff providing services for the new Council were accommodated in a variety of scattered locations. It was believed that there would be significant economies of scale and considerable improvements in the quality of service provided to the community. This could be achieved through the development of a single office campus to accommodate the majority of Council staff. The Council was also concerned to maximise the economic benefit to Perth itself of the development and included within the project was the provision of a public car parking facility to meet the need for additional and replacement of street provision within the city.

### Features

The contract features include:

- ◆ A bespoke new build serviced office accommodation to accommodate in excess of 700 staff for an initial period of 25 years,
- ◆ the service provider makes available a fully serviced building

throughout the term of the contract, except for furniture and Information and Communication Technology hard and software which is provided by the Council itself;

- ◆ the accommodation combines innovative design with architectural merit with emphasis being placed on environmental considerations and efficient use of space and energy;
- ◆ flexibility and adaptability in design and use is an essential feature of the project, in recognition of the changing environment within which local government operates;
- ◆ the risk of disposing of a number of properties currently occupied by the Council which became surplus to requirements were transferred to the service provider;
- ◆ the sharing of cost reductions arising from energy efficiency savings;
- ◆ a five yearly market testing of the facilities management provision to ensure competitiveness and that best value is achieved;
- ◆ availability criteria and payment deductions which apply in the event of there being any service shortfall;
- ◆ a guaranteed minimum annual payment to the Council arising from revenue generated from public car parking and a share of income received above a pre-determined threshold.

### Benefits

The benefits which the Council achieved through the project include:-

- ◆ a single point of service delivery for customer convenience;
- ◆ reduced operational costs;
- ◆ strengthening the local economy and enhancing town business and stimulation of city centre private sector development;
- ◆ contributing to the achievement of town centre plans and enhancing the quality image of the town centre;
- ◆ release of properties for inward investment and economic expansion;
- ◆ easing traffic congestion in central Perth and providing replacement car parking for spaces lost through other urban initiatives as well as providing much needed additional car parking spaces.

The contract was signed on 30 March 1999 and the new facilities became operational in September 2000.

### Facts

#### Sponsor – Perth & Kinross Council

Contact:- Dave Roberts Director of Housing and Property Services, Pullar House, 35 Kinnoull Street, Perth 01783 476001

#### Contractors – KHL Limited Signed – 30 March 1999

Capital Value - £25m

Contract Length - 25 yrs

Construction Completion:- End 2000

#### Advisers to the Council –

Financial –

PricewaterhouseCoopers

Legal – Burness, Edinburgh,

Technical – Jones Lang Wootton, Edinburgh

