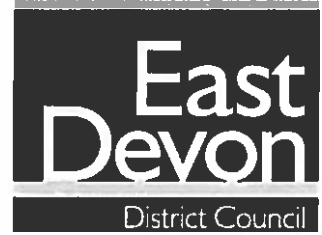


Agenda Item 25

Cabinet

30 November 2011

11/1124



Office Relocation

Exempt Information

Para 3 Schedule 12A information relating to the finance or business affairs of any particular person

Summary

This report should be read in conjunction with the Action Points of the Office Accommodation Member Working Party held 19 October. Further to this meeting, Members are now asked to consider key issues relating to the project and to endorse the following recommendations:-

Recommendations

- 1) Members note the Action Points of the Office Accommodation Member Working Party held 19 October (Appendix 2 to this report).
- 2) Members endorse the work undertaken to date and note that Kensington Taylor have refreshed their costings and confirmed that the project remains financial viable
- 3) Members authorise officers to pursue options for a partnership approach to bring forward the development of the project
- 4) Members authorise a budget of up to £200,000 to enable the immediate requirements of commencing necessary studies, the procurement of external legal advisors, the procurement of project management and the appointment of a relocation manager

a) **Reasons for Recommendation**

To enable the project to progress

b) **Alternative Options**

To not agree the recommendations and delay the project

c) **Risk Considerations**

Members are aware that there are financial risk implications surrounding this project.

d) Policy and Budgetary Considerations

£200,000 is required from the Transformation Budget to assist the pre-development works of this project. A breakdown of estimated costs is attached at Appendix 1.

e) Date for Review of Decision

Not applicable

1 Key Considerations

- 1.1 Kensington Taylor have confirmed that based on the building specification for new offices and the proposed development options for the existing Knowle site identified Summer 2010, the project remains financially feasible.
- 1.2 Having identified a suitable site in the Council's ownership for relocation to Heathpark, the opportunity cost of using the land is now being considered in further detail. Speculative interest from potential developers is being assessed against the financial implications and alternative site availability in Honiton and the findings will be reported to Members as soon as possible.
- 1.3 There is an immediate requirement to initiate studies necessary to support future planning applications. These studies include ecology, topographical, contamination, tree surveys, transport assessments, site surveys and so on. Some of these studies can take some time to prepare and therefore should be commenced as soon as possible. In addition, it would be sensible go commence the procurement exercise to appoint the specialist legal advisors that will be required throughout the term of the project.
- 1.4 It is agreed that a relocation manager should be appointed to oversee the project as soon as possible. It is anticipated that this would be a three year full time post located at the Knowle, with previous experience of relocating organisations and who will ensure that all aspects of the project are being undertaken by the necessary officers, members, consultants, solicitors, contractors and project managers at the appropriate time. Kensington Taylor will work with the Officer Project Team to scope the job description and assist in this appointment.
- 1.5 Various procurement routes and funding options are available to the Council. These include options around partnering arrangements which offer the potential to reduce risk to the Council and upfront capital expenditure, but potentially also restrict flexibility and potential profit. Officers will explore these options and report back to Members with their recommendations.

Legal Implications

Any procurement of project management and external advisers, as indicated in the report, should comply with contract formalities set out in the Council's CSOs

Financial Implications

A breakdown of the £200k has been provided by Kensington Taylor. Funding for the project will be from the Transformation Fund, currently standing at £1,569k. Some of these costs which relate directly to the new build, may be classified as Capital.

Consultation on Reports to the Executive

Appendices

- Appendix 1 – Breakdown of estimated costs

Background Papers

- Office Accommodation Member Working Party Action Points from meeting held 19 October 2011
- Office Relocation Exemption from Standing Orders Cabinet 07 September 2011
- Knowle Office Review – Cabinet 13 July 2011
- Knowle Office Review – Executive Board 14 July 2010

Richard Cohen
Deputy Chief Executive

Cabinet
30 November 2011

Donna Best
Principal Estates Surveyor



EAST DEVON DISTRICT COUNCIL - RELOCATION

Following the Office Accommodation Member Working Party held 19th October 2011, it is recommended that a budget is authorised to progress the next stage of the relocation processes and procedures.

The actions and budget costs are as follows:

1.	Appoint the Consultants to provide a Location Manager for a period of 3 years. Initially the appointment will be for 12 months to progress and complete the first stage of establishing a detailed brief, providing staff interface and overview of the procurement route.	£42,000
2.	Appoint a Project Manager/Cost Consultant, to confirm the budget construction costs and assist in the contractual and appointment requirements of the construction process and the procurement of a developer partner.	£27,000
3.	Confirm the appointment of the Design Team to progress an Outline Planning Application on both sites. Approval in principal is required on the Knowle, Sidmouth and Heathpark, Honiton, in order to inform the developer partner procurement process. The Outline Planning Application will confirm in principal the development potential, ensuring members approval and public recognition. The total design team costs for both submissions on the two sites will be.	£58,000
4.	Progress the studies and surveys that will be required to support the Application and development of each site. It is important that certain studies are commenced as quickly as possible, in order to fulfil the time requirements. The studies will include a topographical survey, environmental studies, traffic impact studies, flood risk assessment and soil condition surveys.	£14,000
5.	Appoint the solicitors to provide the legal assistance that will be required to establish and formalise the contractual arrangements of the partnering agreement and to provide advice throughout the development and delivery period.	£36,000
6.	Appoint consultants to provide assistance on the public consultation programme. This will be necessary to secure public support in each town, and a series of presentations and displays will be required.	£11,000
7.	Contingency.	£12,000
Total Budget – Stage 1		<u>£200,000</u>

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OFFICE ACCOMMODATION WORKING PARTY ACTION POINTS FROM A MEETING HELD AT ON WEDNESDAY 19 OCTOBER 2011

Present:

Councillor Graham Godbeer	GG	EDDC
Councillor Pau Diviani	PD	EDDC
Councillor Andrew Moulding	ATM	EDDC
Councillor David Cox	DC	EDDC
Councillor Vivien Duval Steer	VDS	EDDC
Councillor Ray Bloxham	RB	EDDC
Councillor Trevor Cope	TC	EDDC
Councillor Helen Parr	HP	EDDC
Councillor Ian Thomas	IT	EDDC
Councillor Steve Wragg	SW	EDDC
Councillor Bob Buxton	BB	EDDC
Mark Williams	MW	Chief Executive, EDDC
Richard Cohen	RC	Deputy Chief Executive, EDDC
Ed Freeman	EF	Principal Planning Officer, EDDC
Chris Lane	CL	Democratic Services Officer, EDDC
Karen Jenkins	CP	Corporate Organisational Development Manager, EDDC
Donna Best	DB	Principal Estates Surveyor, EDDC
Chris Powell	CP	Corporate ICT Manager, EDDC
John Lees	JL	Kensington Taylor
Kyrenia Tew	KT	Kensington Taylor

The meeting started at 6.35pm and finished at 8.30pm.

Item	Notes/Decisions	Action
1. Introduction	Welcome and introduction.	
2. Notes of meeting held on 6 April 2011	The notes of the meeting held on 6 April 2011, were agreed as a true record.	Noted
3. Issues for discussion	<p>Members received a presentation on issues regarding the Knowle Office Review and proposals to relocate the existing offices at Knowle, Sidmouth to a site owned by EDDC at Heathpark, Honiton. The three aspects of the project were:</p> <ol style="list-style-type: none"> 1. Realising the value of the Knowle, 2. Build out at Heathpark and 3. Securing the Town Hall site at Exmouth. <p>The aim was to secure the relocation of EDDC's office to Heathpark with a zero cost.</p> <p>The present running costs of Knowle were substantial and there were likely to be major savings in moving to be made in this area. The advantages</p>	

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of moving were considered to be:

- Better access off the A30 in Honiton
- Self fund new offices from the sale of the Knowle
- Huge savings in running costs
- Sustainable highly efficient new building
- New and improved working environment
- Improved efficiency
- Cultural transformation
- IT and storage improvements
- Customer focus

The potential disadvantages which would need to be mitigated and considered include:

- Impact on Sidmouth
- Additional mileage costs and travel for staff
- Costs for new storage facilities
- Moving costs
- Staff morale

The need for dedicated project management to deliver the building/brief was emphasised. Members discussed the two options for delivery of the new building which were:

1. EDDC to provide the funding and build its own new offices. This would probably involve borrowing to build new offices before disposing of the Knowle.
2. EDDC to go down the partnering option, where the partner was responsible for the new build in return for acquiring and developing the Knowle after EDDC has moved. The recommendation was that EDDC use the partnering option to deliver the project. This would have several benefits including the potential to avoid borrowing and sharing of skills between the council and professional partners. This option would require EDDC to have a very detailed specification from the outset otherwise there is a high risk of additional cost.

RC reported that there had been some interest from agents in the use of the Heathpark site for food retail. These approaches are being carefully considered before any definite decision is to be made on the Heathpark site use. At this point in time it was considered realistic that the project could be delivered by June 2014. This timeline will be kept

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under review as the project moves forward.

Members discussed the importance of public perception and consultation with the public over the proposed developments. The possibility of inviting the Town Councils and residents of Sidmouth, Honiton and Exmouth to give their views on the proposed developments at Knowle, Heathpark and Exmouth Town Hall, was discussed. A consultation process around an outline application for the Knowle Site was considered to be an effective option.

The members of the Panel made a number of comments and asked a range of questions, these included:

- Full consideration needed to be given to the needs of Members in the design of new offices. The new building should be fully accessible for Members;
- The importance of aiming for BREAM Excellent standard in the new offices;
- The needs of the public should be emphasised in the design of the new office building. The perception of the public was vital and consultation would be required;
- The importance of ensuring the specification was to the best standards possible if the partnering option was to be followed;
- Importance of maximising the value of the Knowle site. Does the affordable housing element need to be provided at Knowle or would it be better provided elsewhere?
- The access and exits to the Heathpark site were constrained and would need to be investigated;
- The strong business case for office relocation.

1. To take forward immediate tasks required as part of the disposal of the Knowle
2. To engage project management resources
3. To clarify the detail and merits of developer expressions of interest on the Heathpark site
4. that the project be secured by using the partnering option

RECOMMENDED

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	<p>A report would be brought to Cabinet that would further detail the project and cost the above recommendations.</p>	
<p>4. Engagement Strategy – Office Relocation.</p> <p>RECOMMENDED</p>	<p>Members received a report from KJ on the Engagement Strategy for the proposed Office Relocation. An important element of the relocation of the Council would be the success with which it was viewed by staff. To gain the support and cooperation of the workforce it was essential to provide clear information and engagement by senior management and members.</p> <p>The report sought to demonstrate the key commitments, principles and tools that would ensure that staff were fully consulted, communicated with and engaged from the outset and throughout the relocation project.</p> <p>The principles of the engagement strategy were that all key stages of the project the Council would:</p> <ul style="list-style-type: none"> • Communicate • Consult • Negotiate • Engage <p>It was anticipated that the amount of mobile and home working would increase. Those staff who mainly worked out of the office would have 'touch down' spaces. It was agreed that the terminology of 'hot desking' was not helpful but clearly there could be some shared spaces for those that work mainly in a mobile way or have their 'administrative centre' elsewhere. It was emphasised that those working mainly in the building would have their own desk as the benefits of a degree of personalisation are clear. It was highlighted that this would need to be understood in as much detail as possible to ensure the right design and use of space.</p> <p>That Members would agree key messages for communication at the end of each meeting. This would include consideration of messages internally and externally.</p>	<p>Noted</p>
<p>5. Strategy proposal for Electronic Document Management at EEDC.</p>	<p>Consideration was given to the Strategy Proposal for Electronic Document Management (EDMS) at EDDC. CP reported that electronic document management, comprising scanning, indexing and retrieval was used to good effect in Planning,</p>	<p>Noted</p>

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	<p>Environmental Health and Revenues and Benefits.</p> <p>The strategy for EDMS at the Council would help the move to a smaller, more open plan building with less storage and make employees more mobile and less office bound.</p>	
<p>6. Exmouth Town Hall</p>	<p>The issue of the refurbishment of the Town Hall remains under consideration but unresolved for a mix of reasons. DCC had indicated that they wished to renew their lease for a further three years. It was uncertain at present which EDDC staff would work at the Town Hall. SW reminded the Working Party that the heating system at the Town Hall was very antiquated and needed replacing. The possibility of using the TIC building for office space was suggested.</p> <p>Members emphasised the importance of engaging Sidmouth and Exmouth Town Councils in the relocation process at an early stage.</p>	<p>Noted</p>
<p>7. Date and time of next meeting</p>	<p>Future meetings would normally be held on a bimonthly basis with the next meeting at a date to be agreed in December.</p>	<p>All</p>

***136 Former Drill Hall, Esplanade, Sidmouth (cont)..**

- (2) that the Head of Economy investigate options for temporary use of the site including for possible car parking.

REASON Demolishing the Hall and making the site safe would avoid on-going maintenance costs and would mean that use could be made of the site.

***137 Exclusion of the Public**

RESOLVED that under Section 100(A) (4) of the Local Government Act 1972 the public (including the press) be excluded from the meeting as exempt information, is likely to be disclosed and on balance the public interest is in discussing the items in private session (Part B).

***138 Asset Management Update**

Members considered the joint report of the Head of Economy, Deputy Chief Executive (Richard Cohen) and the Principal Estates Surveyor which set out the revised Asset Management Plan 2011/14 and progress on delivery. Additional staff resource within the Estates Team had enabled identified asset transfers to be progressed.

The Deputy Leader expressed his appreciation of the work being carried out by the Asset Management Team (Councillors and Officers).

- RESOLVED**
- (1) that the revised Asset Management Plan 2011/14 be adopted;
 - (2) that the progress in the delivery of the Corporate Property Asset Management Plan made during the last year be noted;
 - (3) that the progress made and key achievements across the range of other services provided by the Council's Estates Team be noted.

REASON To endorse action taken so far in respect of managing the Council's assets in a strategic and structured way.

139 Office relocation

Members considered the joint report of Richard Cohen (Deputy Chief Executive) and the Principal Estates Officer on progress being made in respect of the office relocation project. The Office Accommodation Member Working Party had already met on a number of occasions and had supported the need for work to be carried out at an early stage to assess the feasibility of the move.

Discussion included the proposed budget for the initial investigatory works, an Exmouth base, mobile and smarter working, planning opportunities, partnership working, potential impact on staff and Sidmouth, site valuations and the current market down-turn.



139 **Office relocation (cont)..**

- RECOMMENDED**
- (1) that the action points from the Office Accommodation Member Working Party held on 19 October 2011 (Appendix 2 to the Committee report) be noted;
 - (2) that the project work undertaken to date be endorsed and Kensington Taylor's refreshed costings and confirmation that the project remains financially viable be noted;
 - (3) that Officers be authorised to pursue options for a partnership approach to bring forward the development of the project;
 - (4) that a budget of up to £200,000 be authorised to enable the immediate requirements of commencing necessary studies, the procurement of external legal advisors, the procurement of project management and the appointment of a relocation manager.

REASON To enable the project to progress.

*140 **Exmouth Regeneration**

Members considered the joint report of the Head of Economy, Deputy Chief Executive (Richard Cohen) and the Principal Estates Surveyor on how to progress the Masterplan for Exmouth. Work to date had developed a vision for the future development of the town and seafront. Members supported the incremental approach being adopted within the strategic plan.

RESOLVED that the Council commits to bringing forward the delivery of projects as identified in the report over a phased period of 4 years.

REASON As set out in the main body of the report.

*141 **Cleaning Services at Knowle**

Members considered the report of the Property Services Manager setting out the results of the market testing of outsourcing cleaning services at Knowle and future options. This had identified limited financial savings.

RESOLVED that cleaning services at Knowle be not outsourced.

REASON The proposed out-sourcing would not achieve significant savings.

Chairman..... Date.....

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