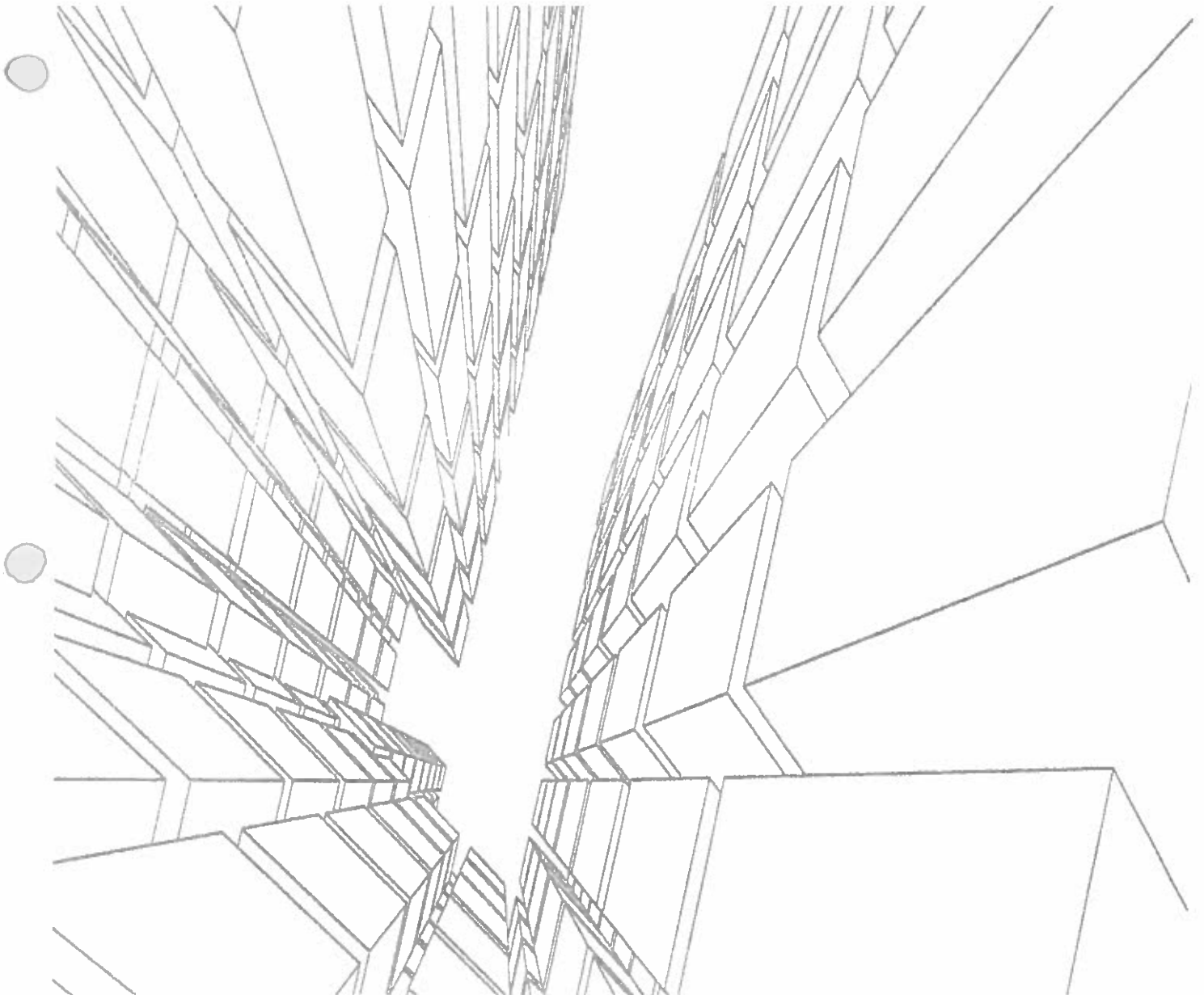


EDDC Office Accommodation

Knowle Energy Use and Maintenance Cost Analysis Report

June 2013



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1.0 Executive Summary

- 1.1 The current total annual running cost at March 2013 base date for the Knowle Site is **£431,487** with energy costs are £75,070 producing 401 tonnes of CO2.
- 1.2 It has been assumed that if essential repairs or office relocation were to be undertaken, the works would be completed by March 2014. Therefore the running cost would be realised in March 2015 after a full year of occupation. Running cost figures have been projected to March 2015 to allow for accurate comparison and the incorporation of appropriate indices inflation.
- 1.3 It is estimated that if no essential works were carried out, and the Knowle site was to remain in the state of repair which it is in today, running costs at March 2015 would be **£458,170** with energy costs £83,901 producing 401 tonnes of CO2.
- 1.4 The total approximate cost for the carrying out of "essential priority" works at March 2013 to halt and rectify building deterioration, remedy health and safety issues and reduce energy consumption is **£1,566,000**
- 1.5 It is anticipated that as a result of carrying out the "essential priority" works to Knowle, the revised total annual running cost at March 2015 would be **£431,239** energy costs are £61,784 producing 291 tonnes of CO2.
- 1.6 This represents a saving as at March 2015 base date of **£26,929** overall, with energy cost reducing by £22,117 and carbon reducing by 110 tonnes.
- 1.7 In terms of energy / carbon savings this represents very poor value on the money spent. This is potentially due to:-
- The floor area of Knowle of 7,722m2, when EDDC requires a maximum functioning area of 4,225 m2 reducing to 3,352 for their Work Smart initiative.
 - The nature of the structure and fabric of the Knowle building.
 - The current inefficient electrical night storage heaters requiring replacement.
 - Some of the "essential priority" works needing to be carried out for health and safety reasons.
- 1.8 By way of comparison for a new purpose built office of some 4,225m2 built to a BREEAM Very Good standard, the revised total annual running cost at March 2015 base date is anticipated to be **£300,184**. Energy costs being £36,633 producing 172 tonnes of CO2.
- 1.9 For a similar 3,352 m2 purpose built office the revised total annual running cost at March 2015 base date is anticipated to be **£269,424**. Energy costs being £29,064 producing 136 tonnes of CO2.
- 1.10 A simple comparative table is included in Section 8 - Summary

2.0 Introduction

2.1 This report is in response to a request from East Devon District Council to provide a report providing the following:-

- Identification of maintenance and energy costs currently being expended
- Identification of maintenance issues and key elements of energy infrastructure requiring reinforcement or replacement
- Prediction of likely maintenance and energy costs following rectification of above issues
- Prediction of future energy and maintenance costs for a bespoke new office

3.0 Basis of Report

- 3.1 To facilitate a basic like for like comparison it was decided that all costs should be compared on a current basis and therefore all figures in this report have been adjusted to March 2015 where appropriate.
- 3.2 The following information was used in the calculation of current energy and maintenance costs:-
- East Devon District Council Year End Monthly Budget Monitoring Reports (Period 12 for 2010, Period 12 for 2011, Period 12 for 2012 and Period 12 for 2013).
 - EDDC's survey of current heating systems within the existing buildings (marked up floor plans showing wet heating systems and electrical night storage heated areas).
 - EDDC's Gas and Electricity quantity consumption, 1st April 2012 – 31st March 2013.
 - EDDC's Gas and Electricity cost, 1st April 2012 – 31st March 2013.
- 3.3 The following information was used to ascertain the scope of essential repairs and maintenance issues required:-
- Assessment of Energy Saving opportunities at the Knowle prepared by TJJ Associates dated 14th April 2008.
 - The main elements of building requiring replacement / refurbishment outlined with response to Richard Thurlow dated 29th August 2012.
- 3.4 The following information was used to calculate likely energy, maintenance and carbon costs:-
- Assessment of Energy Saving opportunities at the Knowle prepared by TJJ Associates dated 14th April 2008.
 - Davis Langdon Standard Office Refurbishment Cost Model, summarised version as published in Building Magazine September 2009.
 - BCIS General Building Cost Indices as of 29/05/2013.
 - BMI Energy Cost Indices as of 29/05/2013.
 - BMI All-in Maintenance Cost Indices as of 29/05/2013.
 - Bank of England Projected Consumer Price Indices as of 29/05/2013.
 - The Energy Consumption Guide Nr 19– "Energy use in offices" crown copyright 2000.
 - Conversion Factors Energy and Carbon Conversions 2011 Update- Guide CTL 153- The Carbon Trust.

4.0 Analysis of Current Running Costs

4.2 The running costs directly attributable to the Knowle were collated from the 2012/13 Budget Monitoring Report Period 12 YTD costs and allotted to the following cost heads:-

- Planned Maintenance
- Reactive Maintenance
- Electricity Consumption
- Gas Consumption
- Water Consumption
- Council Rates
- Buildings Insurance
- Employee Costs
- Grounds Maintenance
- Property Service Costs
- Recharge costs for services from other departments
- Other costs associated with property maintenance
- Other running costs

4.3 The current total annual running cost at March 2013 base date for The Knowle Site is calculated and set out within Appendix A of this report is £431,487 energy costs are £75,070 producing 401 tonnes of CO₂.

4.4 All costs were then adjusted using the most suitable cost indices to provide forecast running cost at a March 2015. Costs at March 2015 would be £458,170, with energy costs £83,901.

5.0 Essential Works

- 5.1 Following a review of previous maintenance plans and issues highlighted in previous reports it is apparent that in anticipation of a move to a new site various repairs and maintenance projects have been delayed to ensure that expenditure of significant funds with long term payback are avoided.
- 5.2 The following issues were considered by EDDC as a priority if the building has to be occupied for the medium term (say 5 years) in order to halt and rectify building deterioration and reduce energy consumption to acceptable levels.
- Replacement of poor condition single glazed windows to the 1970's office building. (Double glazed upvc windows have already been installed in the older part of the building to reduce draughts and excessive heat loss.
 - Installation of cavity wall insulation to the 1970's office building, subject to survey to ascertain the extent and specification of any install insulation
 - Replacement of the existing electrical switchgear as the existing incoming mains cabling is undersized and is overheating creating a safety issue. Replacement of existing boilers which are well beyond their expected lifespan. EDDC confirm that breakdowns are occurring on numerous occasions during the winter heating season
 - Replacement of the old electric storage heaters to various parts of the old hotel building.
 - Replacement of valves and controls to existing radiators many of which no longer function.
 - Replacement of the existing electrical wiring system.
 - Replacement of inefficient office light fittings.
 - Replacement of existing discontinued telephone system and associated communications and data cabling system.
 - Re-roofing existing flat roof areas to the 1970's office buildings which are leaking on a regular basis and are insufficiently insulated.
- 5.3 The list of potential repairs, replacements and upgrades raised previously was more extensive, however the scope has been reduced to reflect only those items that pose a health & safety threat, reduce the existing energy consumption, provide a burden on the existing planned maintenance regime and increase the costs the level of reactive maintenance. It is also important to reflect the current local authority funding climate and reject those issues that provide no direct benefit.
- 5.4 In addition to the essential works identified above, there are other matters that could affect energy consumption, but these matters have not been included within the assessment because of either the payback period or there are questions over whether such are actually required, for example;
- Installation of a Voltage optimiser – it is understood that the capital cost could be in the order of between £ 21,500 - £ 29,600 with a payback period of between 50 and 67 months
- 5.5 It is clear there are other matters which the Council wish to carry out to improve the premises, but such matters have not been included in the assessment since such have no affect on either energy consumption or health and safety.
These matters include;

- Upgrades of the Fire Alarm and CCTV systems
 - (Note it is understood that the current installations are compliant with existing legislation)
- Replacement of 3 Nr steel external fire escape staircases within the next 5 – 10 years
- Cyclical external redecoration (overdue by at least 3 years) removal of redundant chimneys and replacement of roof lights.
- Phased programme of internal redecoration, renewal of floor coverings, replacement of internal flush doors with FD3S veneered doors incorporating vision panels and refurbishment of toilets and kitchenettes.

5.6 The total approximate cost of essential works including professional fees but excluding VAT at March 2013 price basis is **£1,566,000** as identified in Appendix B.

6.0 Revised Running Costs

- 6.1 The principle changes to maintenance and energy costs attributable to the completion of essential repairs and upgrades are as follows:-
1. Replacement of the existing single glazed windows with uPVC double glazed windows is expected to reduce the heating energy consumption by 32,000 kWh.
 2. Replacement higher efficiency boilers and controls as well as replacement of radiator controls are expected to save a minimum of 30,000 kWh. Reactive maintenance costs and staff costs in managing faults, breakdowns and control heating periods will reduce the current costs being expended at approximately £4,814 per annum.
 3. Replacement of the old electric storage heaters with an extended LTHW heating system to all areas in the existing old hotel provide an overall energy reduction for both gas and electric of 35,407 kWh. Note that this explains why the electric consumption is higher and the gas is lower than typical EUI values.
 4. Replacement of the existing light fittings with new high frequency fittings is expected to reduce the electrical energy consumption by 96,000 kWh.
 5. Replacement of the three different telephone systems with a new integrated system including IT & data could save approximately £1,000 per year on direct repair costs.
 6. Re-roofing the 1970's office block is likely to save approximately £1,000 per year on dealing with leaks and damp damage and with new levels of insulation reduce heating energy consumption by 2,300 kWh.
 7. The total energy saving would therefore be approximately 195,707 kWh per year. This figure would obviously vary on building usage, climate, fluctuations in occupancy etc.
- 6.2 The revised total annual running cost at March 2015 base date following essential repairs is anticipated as set out within Appendix C of this report as **£431,239**. With energy costs are £61,784 producing 291 tonnes of CO2.

7.0 New Build Office Running Costs

7.1 Calculation of anticipated running costs of a new build office assumes the following:-

1. The BREEAM rating of the new building will be such that the annual delivered energy consumption (EUI) will achieve Good Practice levels as a minimum. For the purposes of this calculation the exact EUI figure in kWh/m²/yr has been taken for a naturally ventilated open plan office i.e. 79 kWh/m²/yr for Gas and 54 kWh/m²/yr for electric. It is likely that a Breeam Excellent office would exceed this figure but further design would be required to identify the likely performance of the proposed scheme. A conservative approach has therefore been taken for the purposes of this study.
2. The number of staff employed in the new facility will remain at the current level. It is understood desk spaces will be reduced to allow for modern working practices.
3. There will be a negligible amount of grounds maintenance
4. No residual costs for the Knowle are incorporated within the calculations.
5. A small allowance has been allowed at £5,000 to cover minor repairs and is exclusive of the defects liability period obligations of a contractor following build completion.
6. All other items have been adjusted on a pro-rata floor area basis including water and council rates, insurances, property services costs and other running costs.

7.2 Costs have been calculated for the two current options being considered for the new offices, these are:-

7.3 Option 1 - 355 desk spaces with gross internal area of 4,225 m²

7.4 Option 2 - 250 desk spaces with gross internal area of 3,352 m²

7.5 For Option 1 the revised total annual running cost at March 2015 base date is anticipated as set out within Appendix C of this report and is **£300,184** energy costs are £36,633 producing 172 tonnes of CO₂.

7.6 For Option 2 the revised total annual running cost at March 2015 base date is anticipated as set out within Appendix C of this report and is **£269,424** energy costs are £29,064 producing 136 tonnes of CO₂.

8.0 SUMMARY

8.1 The comparative data at **March 2015** is set out in the following table:-

Option	Total Running Cost £/yr	Energy Consumption kWh/yr	Energy Cost £/yr	CO2 Tonnes
Do Nothing and retain as existing	458,170	1,076,426	£83,901	401
Repair / Upgrade existing building	431,239	880,719	£61,784	291
New Build Option 1 – GIA 4,225 m2	300,184	533,829	£36,633	172
New Build Option 2 – GIA 3,352 m2	269,424	423,525	£29,064	136

APPENDIX A - Current Running Cost

The last full year providing the annual running cost for the Knowle site is based on the EDDC Reporting Period to the end of financial year 2012/13.

	April 12 to March 13	Comment
Planned Maintenance	£ 12,356	Maintenance contracts for plant & equipment etc. (egens) a testing, fire alarm testing etc. Note includes standby generator maintenance contract.
Reactive Maintenance	£ 12,908	Day by day works to existing building that are not pre-planned including repairs, breakdowns, emergencies etc.
Electricity Consumption	£ 56,627	Based on finalised electricity bill.
Gas Consumption	£ 18,443	Primarily boiler plant - gas consumption to kitchen ovens is negligible due to very little use. Based on finalised bill.
Water Consumption	£ 7,933	Based on final total bill.
Council Rates	£ 117,935	From Budget Monitoring Report 2012/2013
Buildings Insurance	£ 12,681	
Employee Costs	£ 104,639	Caretakers and cleaning staff salaries and associated employment costs
Grounds Maintenance	£ 12,050	Based on Street cleansing & Grounds maintenance recharge value.
Property Services costs	£ 26,830	Facilities Management cost recharged from Property Services for Knowle.
Recharge for council Services applying Knowle Site	£ 23,331	Postal charges, phones, communications, IT etc.
Other costs associated with property maintenance	£ 16,611	Building materials and small plant and tools costs for maintenance & repairs, PPE, laundry costs, special waste disposal.
Other running costs	£ 9,143	Property cleansing service, security service, water bottle contract, waste bins & recycling, provision of DEC, catering, consumables etc.
TOTAL ANNUAL COST	£ 431,487	At 31st March 2013

APPENDIX B - Essential Repairs / Upgrades

The following works are considered necessary to rectify significant building issues that have been deferred with the possibility that the building is to be vacated. These works are therefore considered of immediate priority should a move not take place in the medium or long term.

	£	Reason / Scope	Saving
Window replacement	£ 75,000	Replacement of existing single glazed windows to the office extension building. The existing windows are ill fitting / As TIL Carbon Trust report new windows would reduce energy consumption by draughtiness and the ironmongery is defective. Upgrade to upvc double glazed units would improve the energy efficiency of 32,000 kWh the building including making good structure & finishes disturbed	
Replacement of existing electrical switchgear, distribution boards etc.	£ 62,000	Current power requirements are in excess of the capacity of the existing system. Overheating of the existing incoming mains could be considered a fire safety issue.	No direct energy saving
Replacement gas boilers. Flues, plantroom pipework, controls, valves, insulation etc. 240KW to old building 450 KW to office extension	£ 63,000	The existing boilers were to be replaced in 2000 and are failing on a regular basis. Replacement boilers would also be more efficient and reduce gas consumption and repair costs, servicing etc.	Efficiency increase in boiler / controls, insulation etc. assumes a 5% reduction on overall gas consumption - say 30,000 kWh. New boilers will reduce reactive maintenance and staff costs by approximately £4814 pa
Removal of old electric storage heaters in parts of the hotel building and replacement with extension to the existing LTRW system	£ 147,000	The existing storage heaters are old and the controls do not operate. For full control and efficiency from the new gas boiler it is essential to have one single system.	Will reduce the excessive electricity consumption - saving included above
Replacement radiator controls, pumps etc.	£ 23,000	All the existing radiator valves are in poor condition. Replacement with TRV's will provide greater control and increase efficiency	Potential savings included above.
Wiring upgrade and replace old fluorescent lighting with high frequency T5 fittings with automatic controls	£ 290,000	A partial power and data upgrade is required due to existing systems falling well below existing standards. This would also reduce the cost of piecemeal replacement being carried out and the use of perimeter trunking	As TIL report new light fittings would reduce energy consumption by 96,000 kWh
New Phone system including comms/IT re-cabling	£ 231,000	There are currently several incompatible phone systems where spare parts are not easily available. A new system will increase the efficiency of the system and reduce the repair costs.	Reduction on repairs and replacement - say £1000 pa
Builder's work in connection with replacement mechanical & electrical installations	£ 82,000	Based on 10% of M&E value due to working within existing buildings	n/a
Re-roofing the office extension building	£ 110,000	The existing flat roof is now at the end of its life and replacement would stop the leaks / damp that has occurred and provide the opportunity to upgrade the roof insulation to modern standards. Upgrading the lightning protection system as required.	Insulation of the roof to current standards would reduce the energy consumption by 2,300 kWh. Reduction on reactive maintenance dealing with leaks, damp etc. say £1000 pa patch repairs carried out by council staff on recurrent basis
Preliminaries	£ 195,000	Based on 18% of total construction works on a phased basis	
Contingency	£ 128,000	10% allowance on full construction cost	
Professional Fees	£ 162,000	At 15% of Construction Cost	
TOTAL ESSENTIAL WORKS	£ 1,566,000	At MARCH 2013 (EXCLUDING VAT)	

Note: Excludes all External Function costs & Room Hire

Costs above are based on Davis Langdon Standard Office Refurbishment Cost Model (updated to March 2013 from previous July 2012 base)

The above excludes decant costs for moving people on a temporary basis whilst the refurbishment works take place on a phased basis

Upgrades to finishes, sanitary fittings, kitchen installations and works to the external paving are excluded at this stage and considered to be of secondary priority.

Note: Improvements in off peak heating has already reduced consumption - although this is based on a manual system

APPENDIX C - Running Costs Post Essential Works

The last full year providing the annual running cost for the Knowle site is based on the EDDC reporting period to the end of financial year 2012/13. For the purposes of this report, it is assumed that the essential works will be completed by March 2014. With the savings realized at March 2015

	March 13 to March 14	Indices	£ @ March 15	Forecast	Difference per annum	Comments
Planned Maintenance	£ 12,356	BMI(M)	£ 12,718	£ 12,718	£ -	Assumed no reduction to existing planned maintenance requirements
Reactive Maintenance	£ 12,908	BMI(M)	£ 13,306	£ 10,573	£ 2,733	Reduction on costs associated with emergency repair call outs to boilers / heating systems
Electricity Consumption	£ 56,627	BMI(E)	£ 63,289	£ 40,798	£ 22,491	Based on reduced Electricity consumption as Appendix E
Gas Consumption	£ 18,443	BMI(E)	£ 20,613	£ 21,885	£ 873	Based on reduced Gas consumption as Appendix E - but heating system is extended to replace electric storage heaters
Water Consumption	£ 7,833	CPI	£ 8,356	£ 8,356	£ -	No Change
Council Rates	£ 117,935	CPI	£ 124,221	£ 124,221	£ -	No Change
Buildings Insurance	£ 17,681	CPI	£ 13,357	£ 13,357	£ -	No Change
Employee Costs	£ 104,639	CPI	£ 110,216	£ 108,136	£ 2,080	Reduction on costs associated with council staff dealing with boilers / heating system failures and management
Grounds Maintenance	£ 12,050	CPI	£ 12,692	£ 12,692	£ -	No change to grounds maintenance
Property Services costs	£ 26,830	CPI	£ 28,760	£ 28,760	£ -	No reduction to facilities management costs
Recharge for council Services applying Knowle Site	£ 23,331	CPI	£ 24,574	£ 24,574	£ -	No Change
Other costs associated with property maintenance	£ 16,611	BMI(M)	£ 17,123	£ 17,123	£ -	No change to general building maintenance materials, consumables, waste disposal etc.
Other running costs	£ 9,143	BMI(M)	£ 9,435	£ 9,435	£ -	No Change
TOTAL ANNUAL COST	£ 431,487		£ 458,170	£ 431,239	£ 26,931	

Indices - Forecast	March 2013 - Q1	March 2015 - Q1	% Change in Period
BMI Energy	255.00	285.00	11.76%
BMI Maintenance	227.00	234.00	3.08%
Percentage uplift - Forecast	March 2013 - Q1	March 2015 - Q1	Compound uplift over period
CPI - Annual	2.85%	2.32%	5.33%

Indices sourced from BCS retrieved 29/05/2013 - Consumer price Index sourced from Bank of England Published CPI projection retrieved 29/05/2013

APPENDIX D - Running Costs for New Build Offices

The last full year providing the annual running cost for the Knowle site is based on the EDC Reporting Period to the end of financial year 2012/13. For the purposes of this report, it is assumed that the New Build option would be completed by March 2014. With the savings realised March 2015

OPTION 1 - 355 DESK SPACES WITH GROSS INTERNAL AREA OF 4,225 m²

	Knowle as Existing		Option 1 Forecast		Assumptions	
	£ to March 13	Indices	£ @ March 15	Forecast		Difference per annum
Planned Maintenance	£ 12,356	BMI(M)	£ 12,738	£ 6,969	£ 5,769	Based on a Pro-rata reduction on floor area (55% of existing building area)
Reactive Maintenance	£ 12,908	BMI(M)	£ 13,306	£ 5,000	£ 8,306	Allowance based on premise that new build will require negligible repair
Electricity Consumption	£ 56,627	BMI(E)	£ 63,289	£ 23,060	£ 40,229	Based on adjusted forecast consumption as Appendix C Table 4 Option 1
Gas Consumption	£ 18,443	BMI(E)	£ 20,613	£ 13,573	£ 7,040	Based on adjusted forecast consumption as Appendix C Table 4 Option 1
Water Consumption	£ 7,933	CPI	£ 8,356	£ 8,356	£ -	Based on final bill from South West Water
Council Rates	£ 117,935	CPI	£ 124,221	£ 67,966	£ 56,255	From Budget Monitoring Report 2011/2012
Buildings Insurance	£ 12,681	CPI	£ 13,357	£ 7,308	£ 6,049	Ditto
Employee Costs	£ 104,639	CPI	£ 110,216	£ 110,216	£ -	Caretakers and cleaning staff salaries and associated employment costs - maintained based on current staff m ² 's
Grounds Maintenance	£ 12,050	CPI	£ 12,692	£ 3,173	£ 9,519	Allowance for reduction to 25% of The Knowle value
Property Services costs	£ 26,830	CPI	£ 28,260	£ 15,462	£ 12,798	Facilities Management cost recharged from Property Services for Knowle
Recharge for council Services applying Knowle Site	£ 23,331	CPI	£ 24,574	£ 24,574	£ -	Postal charges, phones, communications, IT etc.
Other costs associated with property maintenance	£ 16,611	BMI(M)	£ 17,123	£ 9,369	£ 7,754	Building materials and small plant and tools costs for maintenance & repairs, PPE, laundry costs, special waste disposal
Other running costs	£ 9,143	BMI(M)	£ 9,425	£ 5,157	£ 4,268	Property cleaning service, water bottle contract, waste bins & recycling, provision of DEC etc.
TOTAL ANNUAL COST	£ 431,487		£ 458,170	£ 300,184	£ 157,986	At 31st March 2013

Note: All function costs including catering costs, associated consumables are excluded

APPENDIX D – Running Costs for New Build Offices

OPTION 2 - 250 DESK SPACES WITH GROSS INTERNAL AREA OF 3,352 m2

	Knowle as Existing		Option 2 Forecast	Difference per annum	Assumptions	
	£ to March 13	Indices				£ @ March 13
Planned Maintenance	£ 12,356	BMI(M)	£ 12,738	£ 5,529	£ 7,205	Based on a Pro-rata reduction on floor area (43% of existing building area)
Reactive Maintenance	£ 12,908	BMI(M)	£ 13,306	£ 5,000	£ 8,306	Allowance based on premise that new build will require negligible repair
Electricity Consumption	£ 56,627	BMI(E)	£ 63,289	£ 18,296	£ 44,993	Based on adjusted forecast consumption as Appendix E Table 4 Option 2
Gas Consumption	£ 18,443	BMI(E)	£ 20,613	£ 10,768	£ 9,844	Based on adjusted forecast consumption as Appendix E Table 4 Option 2
Water Consumption	£ 7,933	CPI	£ 8,356	£ 8,356	£ -	Based on final total bill from South West Water
Council Rates	£ 117,935	CPI	£ 124,221	£ 53,922	£ 70,299	From Budget Monitoring Report 2011/2012
Buildings Insurance	£ 12,681	CPI	£ 13,357	£ 5,798	£ 7,559	Ditto
Employee Costs	£ 104,639	CPI	£ 110,216	£ 110,216	£ -	Caretakers and cleaning staff salaries and associated employment costs - maintained based on current staff nr's
Grounds Maintenance	£ 12,050	CPI	£ 12,692	£ 3,173	£ 9,513	Allowance for reduction to 25% of The Knowle value
Property Services costs	£ 26,830	CPI	£ 28,260	£ 12,267	£ 15,993	Facilities Management cost recharged from Property Services for Knowle
Recharge for council applying Knowle Site	£ 23,331	CPI	£ 24,574	£ 24,574	£ -	Postal charges, phones, communication, IT etc.
Other costs associated with property maintenance	£ 16,611	BMI(M)	£ 17,123	£ 7,433	£ 9,690	Building materials and small plant and tools costs for maintenance & repairs, PPE, laundry costs, special waste disposal
Other running costs	£ 9,143	BMI(M)	£ 9,425	£ 4,091	£ 5,334	Property cleansing service, water bottle contract, waste bins & recycling, provision of DEC etc.
TOTAL ANNUAL COST	£ 431,487		£ 458,170	£ 269,424	£ 188,746	At 31st March 2013

APPENDIX E - Energy Use Calculations

TABLE 1 - CURRENT ENERGY USE CALCULATION FOR THE KNOWLE @ MARCH 13

Building Data:		Annual Energy Consumption:		
Building Type:	Naturally Ventilated Cellular offices	Gas	481,311 kWh	Cost: £18,443
Gross Internal Area:	7722 m2	Electricity	595,115 kWh	Cost: £56,627
		Total	1,076,426 kWh	£75,070

CO2 tonnes
89
312
401

Area Calculation

Treated Area (as table B4) 95%
Treated Area 7336 m2

EUI Calculation kWh/m2/yr Typical Good Practice

Gas	65.61	151	79
Electricity	81.12	54	33
Total	146.73	205	112

Note: Figures above for Electricity Consumption are skewed due to electrical storage heating to old hotel building

Approximately 15% of the overall Building is electrically heated and therefore 65.61 kWh/m2/yr represents 85% of the overall energy consumption for heating purposes. i.e. 77.19 kWh/m2/yr

TABLE 2 - ADJUSTED ENERGY USE BASED ON FULL GAS HEATING ON CURRENT VALUES @ MARCH 13

Building Data:		Annual Energy Consumption:			
Building Type:	Naturally Ventilated Cellular offices	Gas	566,258 kWh	Cost:	£21,698
Gross Internal Area:	7722 m2	Electricity	474,761 kWh	Cost:	£45,175
		Total	1,041,019 kWh		£66,873

CO2 tonnes	Change to existing
104	84,947 kWh
249	-120,354 kWh
353	-35,407 kWh

TABLE 3 - FORECAST ENERGY NO ALTERATIONS TO KNOWLE FOR COMPARATIVE PURPOSES @ MARCH 15

Building Data:		Annual Energy Consumption:			
Building Type:	Naturally Ventilated Cellular offices	Gas	481,311 kWh	Cost:	£20,613
Gross Internal Area:	7722 m2	Electricity	595,115 kWh	Cost:	£63,288
		Total	1,076,426 kWh		£83,901

CO2 tonnes
89
312
401

TABLE 4 - ADJUSTED ENERGY USE BASED ON POTENTIAL SAVINGS FOLLOWING ESSENTIAL REPAIRS @ MARCH 15

Building Data:		Annual Energy Consumption:			
Building Type:	Naturally Ventilated Cellular offices	Gas	501,958 kWh	Cost:	£21,486
Gross Internal Area:	7722 m2	Electricity	378,761 kWh	Cost:	£40,298
		Total	880,719 kWh		£61,784

CO2 tonnes
92
199
291

Area Calculation - no change

EUI Calculation	kWh/m2/yr	Typical	Good Practice
Gas	68	151	79
Electricity	52	54	33
Total	120	205	112

TABLE 5 - FORECAST ENERGY USE FOR NEW OFFICE ACCOMMODATION ACHIEVING BEST PRACTICE

Option 1 - 355 desk GIA 4,225 m ²			
Building Data:	Annual Energy Consumption:		
Building Type:	Naturally Ventilated Open Plan offices	Gas	317,086 kWh
Gross Internal Area:	4225 m ²	Electricity	216,743 kWh
		Total	533,829 kWh
		Cost:	£13,573
		Cost:	£23,060
		Cost:	£36,633
CO2 tonnes			
			58
			114
			172
Option 2 - 250 desk GIA 3,352 m ²			
Building Data:	Annual Energy Consumption:		
Building Type:	Naturally Ventilated Open Plan offices	Gas	251,568 kWh
Gross Internal Area:	3352 m ²	Electricity	171,958 kWh
		Total	423,526 kWh
		Cost:	£10,768
		Cost:	£18,296
		Cost:	£29,064
CO2 tonnes			
			46
			90
			136
Area Calculation Option 1			
Treated Area (as table B4)	95%	Treated Area (as table B4)	95%
Treated Area	4014 m ²	Treated Area	3184 m ²
EUI Calculation	kWh/m²/yr		
Gas	79.00		
Electricity	54.00		
Total	133.00		

AFFORDABILITY SUMMARY

REVIEW OF ANNUAL RUNNING COSTS

THE CURRENT ANNUAL RUNNING COSTS FOR THE KNOWLE ARE

£ 458,170

WHICH OVER A TWENTY YEAR PERIOD, INCLUDING INFLATION, TOTALS

£ 11,703,795

PRODUCING 8,020 TONNES OF CARBON

A PURPOSE BUILT OFFICE OF 3,352 M2 COULD HAVE ANNUAL RUNNING COSTS OF

£ 269,424

WHICH OVER A TWENTY YEAR PERIOD, INCLUDING INFLATION, TOTALS

£ 6,882,344

PRODUCING 2,720 TONNES OF CARBON

BY MOVING FROM KNOWLE TO A PURPOSE BUILT OFFICE, EDDC
COULD SAVE DURING THE FIRST YEAR

£ 188,746

AND OVER A TWENTY YEAR PERIOD

£ 4,821,451

AS WELL AS 5,300 TONNES OF CARBON

APPENDIX 2

EAST DEVON DISTRICT COUNCIL

5 August 2013

Office Accommodation Budget to Financial Viability Gateway Only

Anticipated Expenditure			
Consultants			
Davis Langdon	PM Services		
	Project Management Services - Apr 12 - Dec 13	£ 182,742	
	QS Services		
	Review of Maintenance and Energy Costs	£ 3,000	
			£ 185,742
Kensington Taylor	Architectural Services		
	Agreed Final Fee	£ 70,450	
			£ 70,450
Thomas Lister	Commercial Land Agent		
	Agreed Fee to date	£ 16,324	
	Contingency for further involvement	£ 10,325	
			£ 26,649
Bell Cornwell	Planning Consultant		
	Agreed Fee to date	£ 11,512	
			£ 11,512
Peter Brett Ass	Economic Impact Assessment		
	Agreed Fee to date	£ 13,899	
			£ 13,899
Veale Wasborough Vizards	Legal advice and assistance		
	Agreed Fee to date	£ 4,289	
			£ 4,289
James Harper	PR Consultant		
	Agreed Fee to date	£ 1,800	
	Balance from budget	£ 3,400	
			£ 5,000
Deborah Hallett	Facilitator		
	Agreed Fee to date	£ 4,950	
			£ 4,950
Designed by Soap	Infographic		
	Agreed Fee to date	£ 499	
			£ 499
Initial Survey Costs			
	Topographical Survey - AP Land Surveys	£ 3,700	
	Tree Survey and Constraints Plan - Advanced Arboriculture	£ 3,822	
	Ecological Impact Assessment - Devon Wildlife	£ 7,499	
	Flood Risk Assessment - Sands Consulting	£ 2,210	
	Ground Conditions / Geo Environmental Desk Study - AECOM	£ 2,700	
	Transport Statement, including affect on Car Parks - Sands Consulting	£ 4,870	
			£ 24,701
Others			
	Allowances for Independent Market Research and Stakeholder Meetings	£ 14,550	
			£ 14,550
			£ 362,221
Carried Forward			£ 362,221

Brought Forward			£	362,221
Client Costs				
Cost to date				
EDDC Total Employment Costs		£	3,512	
EDDC Total Premises Costs, including Planning App Fee		£	8,777	
Transport Costs		£	125	
Equipment and plant purchases		£	319	
Equipment Hire		£	250	
Catering supplies		£	143	
Furniture purchase		£	210	
Stationary		£	342	
Internal document printing		£	254	
Legal Costs (Prev Budget £ 36,000 00) Considered minimal during Verification Period. Revised to		£	1,925	
IT Hardware purchase		£	98	
			£	15,953
Anticipated Costs				
EDDC Internal disbursements costs	Estimated	£	3,000	
EDDC - Provision of internal resource	Estimated	£	6,000	
Legal Costs	Estimated	£	6,000	
Public Consultation / Engagement Costs	Estimated	£	4,000	
			£	19,000
			£	34,953
Contingency Allowances				
Allow 10 % Contingency on External Consultant Costs		£	36,222	
Allow 10 % Contingency on Internal EDDC Costs		£	3,485	
Reduction to balance approved budget of £ 409,887 (Cabinet 17 July 2013)		£	27,205	
			£	12,513
	Current Contingent allowance	£	12,513	£
			£	34,953
			£	34,953
Total estimated costs to December 2013			£	409,887
Costs posted to date including accruals(as attached Worksheet)			£	303,134
Balance available still to be expended			£	106,553
Note				
All costs identified above exclude VAT				
Amount of Contingency as this Report - £ 12,513				

East Devon District Council

Relocation Budget to Financial Viability Gateway Only

Assessment Review - 5 August 2013

COSTS POSTED to - end of Period 04 2013

Account	Description	FY 12/13 Period 1 - 12	FY 13/ 14 Period 1 - 4 Including Accruals	Cumulative
0010	Wages	£ 1,739		£ 1,739
0110	Overtime	£ 81		£ 81
0260	NI Ers Rev Exp	£ 44		£ 44
0500	Recruitment Advertising	£ 1,668		£ 1,668
	Total Employment Costs	£ 3,512	£ -	£ 3,512
1242	Room Hire	£ 45		£ 45
1420	Planning Fees	£ 8,585		£ 8,585
3015	Room Hire	£ 57	£ 90	£ 147
	Total Premises Costs	£ 8,687	£ 90	£ 8,777
2600	Transport Costs	£ 125	£ -	£ 125
		£ 125	£ -	£ 125
3010	Equipment & Plant Purchases	£ 319	£ -	£ 319
3030	Equipment Hire	£ 250	£ -	£ 250
3081	Catering Supplies Food	£ 143	£ -	£ 143
3100	Furniture Purchase	£ 210	£ -	£ 210
3250	Stationery	£ 268	£ 74	£ 342
3254	Internal Doc Centre Printing	£ 254	£ -	£ 254
3300	Non Property Contractors	£ 34,292	£ 38,402	£ 72,694
3450	Fees	£ 6	£ -	£ 6
3460	Consultancy - Advice	£ 97,556	£ 7,233	£ 104,789
3464	Technical Support	£ 93,529	£ -	£ 93,529
3480	Legal Fees (VWV)	£ 4,583	£ -	£ 4,583
3480	Legal Fees (Counsel)	£ -	£ -	£ -
3991	IT Hardware Purchase	£ 96	£ -	£ 96
	Total Supplies and Services	£ 231,506	£ 45,709	£ 277,215
	Accruals (Consultant Ledger)	£ -	£ 13,505	£ 13,505
	Other adjustment	£ -	£ -	£ -
		£ -	£ 13,505	£ 13,505
5461	PC Support Recharge	£ -	£ 2,090	£ 2,090
5511	Estates & Econ Dec Recharge	£ -	£ 3,070	£ 3,070
		£ -	£ 5,160	£ 5,160
	TOTAL	£ 243,830	£ 64,464	£ 308,294
	Adjustments			
5461	PC Support Recharge Reversed as agreed MW 17 6 13	£ -	-£2,090	
5511	Estates & Econ Dec Recharge Reversed as agreed MW 17 6 13	£ -	-£3,070	
		£ -	-£5,160	-£5,160
	TOTAL	£ 243,830	£ 59,304	£ 303,134



EDDC Office Accommodation – key decision

Richard Cohen, Deputy Chief Executive presented his report on options to address the Council's future accommodation requirements. Since the Development Management Committee (1 March 2013) had refused the application for alternative use of the Knowle site, work had continued on the viability analysis of various options:

- Remaining at the Knowle in a reconfigured form
- Honiton options
- Relocation to Cranbrook
- Other sites in the district

The viability analysis identified that remaining at the Knowle site was not a sustainable option as the 'outdated' offices were not fit for purpose and costly to run. The report included the Council's continued commitment to

- providing fit for purpose and functional office accommodation that placed no extra burden on the East Devon tax-payer, and,
- to maintaining a significant presence in Exmouth.

The option to move would use capital receipts from the sale of the Knowle and, if required, prudential borrowing up to a maximum of £4.8M (the calculated savings on running costs over the 20 years following the move).

Key overall risks within the project were noted by Cabinet together with how these would be managed. The calculations included a 20% contingency. The public speaker had stated that the carbon cost of relocation would take 50 years to recoup. The Deputy Chief Executive challenged this statement. He said that although there would be an inevitable carbon cost, this needed to be balanced over time and the argument was out-weighed by the energy efficiencies of new offices. A more accurate calculation would be 11 years. One of the key drivers for the proposed relocation was the high running costs and essential maintenance required at Knowle. However, the project was not just about the need to save money; it would help facilitate improved, modern, efficient service provision.

The Deputy Chief Executive also advised that the 'new' part of the existing Knowle complex did not have the capacity to accommodate all EDDC staff and so the associated suggestion to sell off the historic part entirely for residential use was not feasible.

The reasons for refusal of the Knowle application considered by the Development Management Committee on 1 March 2013 had been taken into account and it was now proposed to limit potential development on the Knowle site to 3 zones – the lower park and lower car park zones had been removed from the development proposal. This was an important change that addressed local concerns and retained the site's viability as it continued to be attractive to developers. Use of Manstone Depot within the development proposals would meet the development's affordable housing requirement.

The Project Viability report identified key milestones (Gateway Decisions) which would require EDDC approval to progress to the next stage of the project. The timeline for relocation was set out in the report. Alternative sites might come forward during the process and these would be given proper consideration.

EDDC Office Accommodation – key decision (continued)

During debate on the report the following points were made:

- Members welcomed the clear and helpful report and praised Richard Cohen, Deputy Chief Executive and Stephen Pratten, Relocation Manager, for their work. The report had been well presented with clear options and reasoning.
- Moving the discussion to the public domain was welcomed
- The impact of the Office move on Sidmouth would be taken into account
- The move had the potential to create jobs elsewhere in the district
- The carbon cost of the move would be taken seriously but put in perspective
- Many of the offices in Knowle were inadequate for modern business
- It would be better to invest in new purpose built facilities than waste money in trying to maintain out of date, costly office space which was not fit for purpose
- The proposal would preserve parkland at Knowle for the benefit of the local community. The grounds were currently not used much by the public and the proposed transfer to the Sidmouth Town Council could result in their wider enjoyment.
- Reducing the development zones from 5 to 3 was welcomed.
- The process would have been less difficult if the Council had carried out earlier consultations with local residents and stakeholders
- The proposed stages in developing the project and the monitoring that would be in place was helpful and reassuring
- The Knowle was a prestigious building and the parkland was beautiful
- Although the report suggested options to relocate to Honiton and Cranbrook, the Council would retain an open mind and consider other options that may come forward during the process.
- The new offices should be located centrally and use made of local 'hubs'.
- The East Devon Business Centre was a good example of an office base for mobile working. A similar approach could be adopted for the local 'hubs' which could also offer local employment opportunities.
- The Council needed to be able to take advantage of new ways of working and increased use of technology to improve service delivery and achieve efficiencies.

The Leader thanked the Cabinet and other Members present for their valued contribution to the debate. He confirmed that the impact on Sidmouth would be taken into account and that ways ameliorate this would be considered. Jobs would not be lost from the district as a result of the proposed move. He believed that the proposed move from the Knowle was positive and would benefit the whole district.

The vote on the recommendations set out in the report was supported unanimously by the Cabinet.



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EDDC Office Accommodation – key decision (continued)

- RECOMMENDED**
- (1) that Council agree that the costs of maintaining, refurbishing or building new offices on the Knowle site are not sustainable and EDDC must therefore look at alternative locations for a new headquarters;
 - (2) that the Deputy Chief Executive – Development, Regeneration and Partnerships be given delegated authority to enter into formal conditional negotiations on the acquisition and/or development of a suitable site for EDDC's new offices;
 - (3) that a future recommendation be made for consideration by Cabinet and determination by Council that EDDC relocate from the Knowle to a new location and premises subject to a satisfactory and financially viable proposition;
 - (4) that further reports be referred to Cabinet and Council, as appropriate, for decisions at future key stages (Gateway Decisions) of the project;
 - (5) that it be confirmed that it remains the Council's objective to hand over ownership of the Knowle Park public space to Sidmouth Town Council as part of its relocation plans.
 - (6) that a further £95,333 (ex VAT) be approved from the Transformation Budget to fund further services necessary to continue the project and secure the most advantageous development agreement;
 - (7) that an ongoing District Wide Stakeholder Group be established to share and discuss relocation progress and issues in terms of Council contact, service delivery and new ways of working;
 - (8) that a New Office Project Executive Group be set up comprising selected Cabinet members, senior officers and Project Manager to oversee project progress;
 - (9) that wider engagement with members be sought through a Leader's Think Tank on Relocation.

REASON

As set out in the Officer report and appendices.

