

Meeting not open to the public

**East
Devon**

District Council

Date: 2 July 2014
Contact number: 01395 517535
E-mail: aherbert@eastdevon.gov.uk
Our Reference: AMH

East Devon District Council
Knowle
Sidmouth
Devon
EX10 8HL

DX 48705 Sidmouth

To: Councillors: Paul Diviani, Andrew Moulding, Ray Bloxham
David Cox

Tel: 01395 516551

Fax: 01395 517507

www.eastdevon.gov.uk

Officers: Mark Williams, Richard Cohen, Simon Davey,
Karen Jenkins, Rachel Pocock, Henry Gordon Lennox,
Steve Pratten

Office Accommodation Project Executive Group Wednesday 2 July 2014 – 3.00 pm – Room 1

AGENDA

	Responsible Officer
1. Apologies	RC
2. Approval of previous meeting notes	RC
3. Matters arising	RC
4. Executive Board	RC
a. Confirmation of Decision Making process and powers	
5. Relocation Managers Report	SP
a. Project Overview	
b. Project Costs to date	
c. Project Programme, including key milestone dates	
d. Risk review	
6. Skypark	SP
a. Progress	
b. Procurement	
7. Knowle and Manstone	SP
a. Marketing and bidding progress	
b. Planning Consultant	
i. Consistency Planners response	

Protected Marking: Protect

Chief Executive: Mark Williams
Richard Cohen – Deputy Chief Executive
Denise Lyon – Deputy Chief Executive and Monitoring Officer

- | | |
|--|--------------------------------------|
| <ul style="list-style-type: none"> c. TVG, RoW d. Draft Local Plan <ul style="list-style-type: none"> i. Windfall / Draft allocation ii. Five Year Land Supply iii. SHMA | <p>RP / HGL
RC</p> |
| <p>8. Heathpark</p> <ul style="list-style-type: none"> a. Progress in achieving agreement with Terrace Hill b. Anticipated programme c. EDBC succession d. Replacement for Knowle and Manstone Depots update | <p>SP</p> <p>NH</p> |
| <p>9. Other matters</p> <ul style="list-style-type: none"> a. Equalities and best value b. Provision of services within the District away from Skypark c. IT d. Communications <ul style="list-style-type: none"> I. Member presentation II. Staff Liaison III. East Devon Extra IV. Stakeholders Meetings e. Council procedures – finance, legal, procedural propriety | <p>KJ</p> |
| <p>10. Any other business</p> | |
| <p>11. Date of next meeting:</p> <ul style="list-style-type: none"> • <i>Date of next Meeting and those through to the end of the Financial Year to be agreed during this meeting.</i> ○ <i>The following are suggested potential meeting dates, with all other than that for July coinciding with Cabinet Meetings</i> <ul style="list-style-type: none"> ▪ <i>30 July 2014</i> ▪ <i>3 September 2014</i> ▪ <i>1 October 2014</i> ▪ <i>5 November 2014</i> ▪ <i>3 December 2014</i> ▪ <i>7 January 2015</i> ▪ <i>11 February 2015</i> ▪ <i>18 March 2015</i> | |

Meeting not open to the public

**Notes of meeting the Office Accommodation Executive Group
Held on
Wednesday 2nd July 2014**

Present:

Councillors: Paul Diviani, David Cox, Ray Bloxham, Cllr A Moulding

Officers: Richard Cohen, Steve Pratten, Simon Davey, Karen Jenkins, Rachel Pocock,
Nigel Harrison,

		Action
1.	Apologies: Mark Williams	
2.	Minutes of previous meeting held on 4 June: agreed. Min 4: a decision regarding the design particulars will be made by this Executive Group who have the authority to make any process decisions. Any decisions on funding re design etc will be agreed by Cabinet: The Executive Group doesn't have formal decision making powers – but can make recommendations to officers who have delegated powers or to Portfolio Holders.	
3.	Matters arising: Items to be discussed further in agenda.	
4.	Relocation Managers Report: <ul style="list-style-type: none">• Project Costs to date: project costs to date are a spend of £436,247 from the updated budget of £705,568 leaving a balance of £269,321, including a contingency allowance of £40,351.• Project Programme/Procurement update:<ul style="list-style-type: none">○ The current overview programme remains the same. There is currently some uncertainty on how EDDC's new office at Skypark will be procured due to issues associated with the requirements of EU Procurement but two alternatives have been identified (i) EDDC negotiates with St Modwen/DCC for the sale of the site and then procures their own design team and contractor or (ii) EU Procurement is required to	SP

	<p>appoint a Developer for EDDC's office at Skypark. The procurement of the design team and contractor for the building works will then be carried out by the Developer, with EDDC having a monitoring role. EDDC will procure their own Fit for Design Team and Fit Out Contractor.</p> <ul style="list-style-type: none"> ○ The programme identifies 6 Gateway decisions to work through with Decision 6 being the final decision to formally buy the site and appoint the contractor to proceed with the build. The construction period would be around 25 February 2016 – 18 April 2017 with a relocation in April 2017. ○ Further to the recent meeting with Eversheds when the matter of procuring the site from St Modwen was discussed in detail it was agreed that a further meeting would held before the end of July with St Modwen to discuss a resolution of the issue. The meeting will also include both sets of lawyers. ● Risk Review: register has been updated with 2 additional orange risks re Heathpark. 	
5.	<p>Skypark: There will be a more detailed report at the next meeting – this will be following the meeting with St Modwen and Lawyers etc over Procurement.</p>	RC/SP/RP
6.	<p>Marketing of Knowle and Manstone: The preparation of the marketing material for the sale of Knowle and Manstone is now underway. They have decided to produce two brochures – Knowle and Manstone/ATC. The consultant has advised that drafting of the brochures is underway – and they will be having an internal review meeting next Wednesday, after which advance copies of the brochures can be expected. The programme advises that the documentation should be available for the Executive Board to consider from 21 July for a one week duration with the Marketing/bidding process properly commencing on 28 July pending DCC's formal response regarding the current TVG application. The overall period for the marketing and bidding process is anticipated to be some 9 weeks, concluding on 26 September. Savills Tender Report and recommendation is anticipated to be issued on 24 October. Savills Consultancy appointment has now been agreed. Ariel and ground level photos have been taken. A meeting has also been held with Ed Heynes (Planning consultant) who is currently assisting EDDC with Exmouth Regeneration, to discuss the possibility of his further assistance with the marketing of Knowle and Manstone Depot/ATC Site. In particular it is considered that a planning statement will be required to inform potential bidders of the reason the rejection of the Knowle OPA and the mitigation factors that have now been included to respond to DMCs comments within the refusal notice. A further requirement of the planning consultant will be to liaise and discuss with the LPA the affordable dwellings issue. These should only be at a pre-app discussion stage only.</p>	
7.	<p>Heathpark site sale discussion:</p>	

	<p>The finalisation of the contract between EDDC and Terrace Hill continues to be negotiated with the Developers solicitors continuing to identify additional matters for agreement into the discussion on a regular basis. BW and CT(Thomas Lister) are continuing to handle the matter and it is anticipated that exchange of contracts will occur shortly. The Recruitment and Training document has now been completed and sent out – this will hopefully be used alongside with the Skills and Training.</p> <p>EDBC Succession: a timeframe needs to be set up to meet the tenants of the Business centre and give them official notice and look to offer them any help possible in locating new premises. NH to let the group have a copy of the slides shown at the recent meeting with Carter Jones outlining their findings in relation to the supply and demand document that is being produced. We need also to look and ensure that the Local Plan is identifying where workspace is needed, what part we play in the delivery process of this. Location and lack of Broadband is an issue. Need to look at producing a funding model to work with.</p>	<p>NH</p>
<p>8.</p>	<p>Other Matters:</p> <ul style="list-style-type: none"> • TVG – once we have clarity we need to look at consultations with staff, stakeholders etc. • Equalities/Best Value – KJ has produced a paper for SMT outlining what is needed, we need to be very specific by what we provide for customers and in what services we provide throughout the District. When the consultation exercise is due to start then a steer will be needed from this group. A further stakeholder meeting will need to be held at some point in the future. • Service provision will need to be provided in Exmouth and Honiton with a possible surgery being provided on set days in Sidmouth. Majority of the public these days look on our website for planning application information, refuse and recycling collection etc, the main service that will need to be provided will be housing/housing benefit advice, council tax etc. Once feedback is collected following consultation exercise then will report back to this Group with findings. RB asked why no mention of any provision at Cranbrook? KJ said that the paper was looking at demand now but demand may be more in future and will need looking at again. We also need to be careful how we approach this as not every town/parish wants a hub. RB to let KJ have his comments on the paper and once RC/RP are happy then consultation can start. • ICT – project now in place. Open Web is going well but KJ has identified that more ICT resources will be needed. A report will be going to Cabinet requesting additional resources to cover 2yrs work. Mobile working project & paper light project both ongoing. • Comms – all waiting on outcomes from TVG/EU Procurement etc. • A hearing date has now been set for 28 Aug at Exeter Magistrates court to discuss Mr Woodward's having access to report from SP. • Exmouth Town Hall – meeting to be held following DCC 	

	decision to vacate premises.	
9	Future Cabinet and Council meetings: report to Cabinet in Autumn re final decision about move. Meetings of this Group to continue to take place through the summer etc.	
10.	AOB: None.	
	Next meeting to be held on: 29 July 2014 at 10.00am in Richard's office	

EDDC OFFICE ACCOMMODATION PROJECT

MEMBERS EXECUTIVE PROJECT BOARD MEETING – 2 JULY 2014

PROJECT MANAGER NOTES

1. Project Overview

- a. The Project is complying with Programme AK (B).
- b. The principal concerns at the moment are the procurement of Skypark – purchase solely of the land, and the formal confirmation that DCC will reject the TVG Application, thereby permitting the marketing of Knowle and Manstone to proceed.
- c. The Project Budget continues to be monitored and managed

2. Project Costs to Date

- a. Following Cabinet Approval on 4 June to increase the Project Budget, the approved budget now totals £ 705,568 and is built up as follows;

i. Original budget prior to Aecom's appointment	£ 200,000
ii. Uplift approved by Cabinet 5 September 2012	£ 114,354
iii. Uplift approved by Cabinet 17 July 2013	£ 95,333
iv. Uplift approved by Cabinet 5 February 2014	£ 92,000
v. Uplift approved by Cabinet 4 June 2014	£ 203,882
- b. Posted expenditure including accruals, to 30 June 2014 totals £ 436,247 leaving a balance of £ 269,321 against the updated budget of £ 705,568, of which the Contingency allowance is £ 40,351. All costs exclude VAT. Particulars are annexed to this Report

3. Programme Summary, including identification of critical dates

- a. The current Overview Programme remains as Revision AK (B).
- b. There is currently some uncertainty on how EDDC's new Office at Skypark will be procured due to issues associated with the requirements of EU Procurement, the following two alternatives have been identified;
 - Alternative 1 - EDDC negotiates with St Modwen / DCC for the sale of the site and then procures their own design team and contractor
 - OR

- Alternative 2 - EU procurement is required to appoint a Developer for EDDC's Office at Skypark. The procurement of the design team and contractor for the building works will then be carried out by the Developer, with EDDC having a monitoring role. EDDC will procure their own Fit Out Design Team and Fit Out Contractor
- c. There are distinct differences associated with these two alternatives and, it is not possible to illustrate both within a single programme. Consequently, Programme AK (B) relates exclusively to Alternative 1 – namely;
 - i. whereby the Council buy the site from St Modwen / DCC, and the Council then appoints their own Design Team to develop the scope, design and specification for the new building.
 - ii. The Design Team will also submit a Planning Application to the LPA for the new premises.
 - iii. Following the appointment of the Contractor the majority of the Client's Design Team will be novated across to the Contractor, so that the design can be further developed in respect of buildability and site production.
- d. It is noted that the Members Executive Project Board on 4 June formally agreed to this method of procurement for the Project.
- e. A key consideration integrated throughout the pre-construction phase of the programme has been the need to ensure the Council is protected from undue risk such as commitment to costs when, for whatever reason, there is a need to postpone or even cancel the Project. To achieve this mitigation a series of "gateways decisions" have been identified.
- f. The programme has also been structured to ensure that there is certainty of land sale values (based upon conditional offers) so far as is reasonably possible before there is commitment to large scale expenditure.
- g. The programme currently identifies six key gateway decisions. These are identified during the following review of the programme in red font.
- h. The following short narrative identifies the Key Gateway Decisions, particulars and milestones confirmed within Programme AK (B);
 - a) **Gateway Decision Nr 1 – EDDC agreement to purchase the site at Skypark, to agree to the procurement of a design team for the new office, to agree the conditional sale of Knowle and Manstone Depot**
 - a) Overall period – 5 June – 12 November 2014
 - b) **Gateway Decision Nr 1 – considered and decided at Extraordinary Cabinet & Council Meeting – 12 November 2014 – date to be confirmed**

- b) **Gateway Decision Nr 2 – EDDC Members Executive Project Board approval and confirmation of extent of scope and agreement to proceed to RIBA Stage D - design and Planning Application**
 - a) Overall period 25 November 2014 – 10 February 2015
 - b) Gateway Decision Nr 2 – considered and approved by the Members Executive Project Board 10 February 2015

- c) **Gateway Decision Nr 3 – Submission of Planning Application, Notice for Contractor Appointment and agreement for design to proceed to RIBA Stage E – detailed design**
 - a) Overall period 4 February – 15 April 2015
 - b) Gateway Decision Nr 3 – considered and approved by the Members Executive Project Board 15 April 2015

- d) **Gateway Decision Nr 4 – Approval of design to RIBA Stage E and agreement to proceed to RIBA Stages F & G**
 - a) Overall period 16 April – 29 May 2015
 - b) Gateway Decision Nr 4 – considered and approved by the Members Executive Project Board 29 May 2016

- e) **Gateway Decision Nr 5 – Agreement to appoint the Contractor subject to final agreement of cost**
 - a) Overall period – 16 April 2015 – 7 January 2016
 - b) Gateway Decision Nr 5 – Appointment of Contractor - considered and decided at Cabinet 4 November 2015 and Council 16 December 2015 – both dates to be confirmed.

- f) **Gateway Decision Nr 6 – Approval of final design and associated Final Construction Costs. Agreement for the Contractor to proceed on site**
 - a) Overall period 18 November 2015 – 18 April 2016
 - b) LPA consider and determine planning applications for Knowle and Manstone – 9 February 2016 (potential for offers to become unconditional at this stage pending to any JR proceedings).
 - c) Gateway Decision Nr 6 – Approval of Final Design and associated Final Construction Costs. Agreement for Contractor to proceed on site - considered and decided at Cabinet 17 February 2016 and Council 24 February 2016 – both dates to be confirmed

- g) **Construction Phase through to new office being opened**
 - a) Overall period 25 February 2016 – 18 April 2017
 - b) Contractor involvement – 25 February – 13 March 2017
 - c) Finalisation of Client fit out – 14 March – 27 March 2017
 - d) Phased decant from Knowle to New Office – 28 March – 17 April 2017
 - e) EDDC fully relocated to New Office – 18 April 2017

- i. There was a further meeting with Eversheds on 24 June when the matter of procuring the site from St Modwen was discussed in detail. EDDC are to write to St Modwen requesting a meeting before the end of July to discuss a resolution of the procurement issue. This meeting is expected to include both sets of Lawyers. On the basis of advice from Eversheds, St Modwen will not be advised in advance of the wish to purchase the site

- j. Programme Rev AK (B) identifies EU procurement commencing with preparatory work on w/c 23 June. Since this date has now passed, if Alternative 2 needs to be pursued, then there will be an effect on the programme – in essence from 23 June until the date to proceed with Alternative 2.
- k. Discussions with regard to the tendering of the Design Team have been held with EDDC Legal Services and the Procurement Officer. It is anticipated that the tender will be based upon the SW Consultancy Framework, with tenders being issued at the end of July / early August.

4. Heathpark update

- a. The finalisation of the Contract between EDDC and Terrace Hill continues to be negotiated, with the Developers solicitors continuing to identify additional matters for agreement into the discussion on a regular basis. Brian Wilkes and Chris Thomas (Thomas Lister) are continuing to handle the matter sensibly and it is anticipated that exchange of contract will occur shortly.
- b. One of the biggest issues to date has been the request by THH for their precontract costs to be included – thereby potentially reducing the overage payment to EDDC. Earlier this week they agreed to no longer pursue this matter.
- c. Nigel Harrison has assisted with the finalisation of the Recruitment and Training document – which has now been issued to THH, without any adverse comment being returned.

5. Knowle and Manstone Depot / ATC site

- a. The preparation of the Marketing material for the sale of Knowle and Manstone is now underway. They have decided to produce two brochures – Knowle and Manstone / ATC. The Consultant has advised that drafting of the brochures is underway – and they will be having an internal review meeting next Wednesday, after which advance copies of the brochures can be expected. The programme advises that the documentation should be available for the Executive Board to consider from 21 July – for a one week duration, with the Marketing / bidding process properly commencing on 28 July pending DCC 's formal response regarding the current TVG Application. The overall period for the marketing and bidding process is anticipated to be some nine weeks, concluding on 26 September. Savills Tender Report and Recommendation is anticipated to be issued on 24 October

- b. Savills Consultancy Appointment has now been agreed and a duly completed copy is in tonight's post to the Consultant.
- c. Ariel and ground level photos have been taken – selection to be tabled. In addition SP has provided Savills with a DVD containing relevant documentation, including particulars from the failed Outline Planning Application.
- d. A meeting has also taken place with Ed Heynes (Planning Consultant), who is currently assisting EDDC with Exmouth Regeneration, to discuss the possibility of his further assistance with the marketing of Knowle and Manstone Depot / ATC site. In particular it is considered that a Planning Statement will be required to inform potential bidders of the reasons for the rejection of the Knowle OPA, and the mitigation factors that have now been included to respond to DMC's comments within the Refusal Notice.
- e. A further requirement of the Planning Consultant will be (if permitted) will be liaise and discuss with the LPA the affordable dwellings issue (that is all the affordable to Manstone and only Open Market housing at Knowle – enabling the maximum value to be potentially extracted) and the sensitive issue of a consistent message being advised to enquires from potential bidders by the LPA. Ed has suggested that only formal pre app discussions should be considered.
- f. A Fee Proposal has been received, has been considered and negotiation to ensure compliance with our requirements is underway.

6. Risk Review

- a. The Risk Review has now been updated. The current version being Rev L dated 30 June 2014
- b. Risks are identified under three categories
 - i. Red Risks - . Medium to long-term effect and expensive to recover
 - ii. Orange Risks –. Medium term effect, which may be expensive to recover.
 - iii. Blue Risks –. Short to medium term effect
- c. Currently there are;
 - i. 40 Open Risks (previously 38), comprising;
 - 1. 9 Red Risks (9),
 - 2. 22 Orange Risks (20)
 - 3. 9 Blue Risks (9)

S J Pratten

Enc.

Programme AK (B) – Summary

Risk Review Rev L(-) – 30 June 2014

