

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