

# Better Utilisation of Property Assets Programme

## Fenland Project Business Case

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A **Technical Brief** has been produced to contain all common assumptions or definitions for each element of the Business Case, e.g. financial model, sensitive analysis.

## 1. Executive Summary

The top 5 most deprived Super Output Areas of Cambridgeshire are all in or around Wisbech, whilst its unemployment rate remains substantially higher than the Cambridgeshire average.

The property holdings of the council in Fenland are in poor condition, not fit for purpose and in the wrong locations. This project provides an opportunity to vacate a number of such properties and provide new, fit for purpose accommodation designed with services to meet their requirements.

Three options were investigated and compared to the baseline. These investigations showed that all could better meet the needs of the Fenland area and the objectives of the Better Utilisation of Property Assets, which are directly related to the council's objectives. Each would be at a cost.

Options to focus the new development in Wisbech (Option 1) or Wisbech and March (Option 2) produced the best scores against the objectives of the Programme. The option to spread the focus more widely to include Chatteris and Whittlesey (Option 3) scored more highly than the baseline but not as highly as Options 1 and 2.

The preferred option is Option 1. This option sees the focus on the area of greatest need - Wisbech. The development of a new facility in the town will provide employment associated with the construction in the short term. In the medium to long term, the movement of jobs from elsewhere in the county will benefit the town as, to a potentially greater extent, will the freeing-up of the Queen Mary Centre site for development. The difference in Net Present Cost of this option compared to the baseline over 40 years is around £12M.

## 2. Background and Context

### 2.1 The Need for Change

The top 5 most deprived Super Output Areas of Cambridgeshire are all in or around Wisbech, whilst its unemployment rate remains substantially higher than the Cambridgeshire average.

As part of the Suitability Survey in 2007, a number of facilities in Wisbech and March were identified as 'Better Utilisation'. In many cases services are operating from buildings that are wholly unsuitable for use, in a poor state of repair and/or under-occupied.

There are a number of key 'push' factors including:

- The cost of a number of leases amounting to almost £100K pa. This represents real monies exiting the Council.
- The unsuitability of several buildings for service delivery.

- A clear and stated desire by the council to increase activities in the Fenland area.

There are a number of key 'pull' factors including:

- Generate better value/improved accommodation in a new build scheme.
- Two potential capital receipts amounting to £730K.
- The opportunity to contribute to the regeneration of the area through both a potential construction project and increase in CCC jobs delivered from the area.
- An opportunity to improve the council's energy performance.
- The positive interest shown by the District authority to engage in the project.

## 2.2 The Objectives

For the main BUPA Programme objectives, see the accompanying Technical Brief.

The objectives particular to this project include:

- Facilitate the delivery of services where they are most needed.
- Contribute to the regeneration of Wisbech and the surrounding area.
- Work with district partners to achieve the best outcomes for Fenland.

## 2.3 The Challenge

As an individual project, providing new facilities in Fenland cannot be achieved at a neutral cost to the authority. The properties that will be divested and the leases that will be given up will not result in returns at a sufficient level. Therefore, this project must be viewed as a part of the BUPA Programme that aims to reinvest in areas where need is greatest and value for money can be best achieved.

Transport and IT links to Wisbech in particular are not as good as other market towns in Cambridgeshire. Whereas the project can address the latter to a degree, the former will remain an issue in particular when considering moving an employee's base from elsewhere. The paucity of good transport and IT links arguably increases the need for projects of this nature in Wisbech.

## 3. Scope

The scope of the project covers a number of existing facilities in Wisbech and March. Some key information for these facilities is given in Table 1.

BU = Better Utilisation. CM = Continued Maintenance. S = Surplus.

Name	Tenure	Designation under suitability survey	Gross Internal Area (sqm)	Number of employees located here
100 Churchill Road (SSD Area office)	Leasehold	BU	669	36
Connections Building 4-6 Stermyn Street (Current site)	Leasehold	CM	243	37
Queen Mary Centre Queens Road (Home Care Office),	Freehold	BU	1308	3
March Business Centre Dartford Road	Leasehold	CM	163	7
March Business Centre Dartford Road	Leasehold	BU	331	23
Current site) Hereward Hall County Road	Freehold	CM	1675	131
March Youth & Community Centre 34 Station Rd	Freehold	S	1082	5
Fenland Register Offices (March) Audmoor House 93 High Street	Leasehold	BU	239	6
The Centre City Road, March and Chatteris Locality Team	Leasehold	BU	N/A	24

Table 1. Details of Facilities in Scope

## 4. Options Appraisal

### 4.1 Options considered

The options appraisal considered 3 options against a do minimum/nothing option. The difference between the options was based on the number of locations built or retained in the proposals.

	Option 0	Option 1	Option 2	Option 3
<b>Option Description</b>	Continue with and maintain 8 baseline buildings. This includes 3 in Wisbech and 5 in March (see list below)	Procure and own new larger single operational hub in Wisbech. Retain existing Hereward Hall hub in March.	Procure and own new smaller single hub in Wisbech. Build extension in March on Hereward Hall site and relocate Registry Office	A multi dispersed 4 site model. Procure and own single hub in Wisbech. Retain existing Hereward Hall space. Procuring 2 x small operational hubs in Chatteris and Whittlesey through lease rental.
<b>Scale &amp; Occupancy</b>	Accommodating approximately 141 employees 76 employees located in Wisbech 65 employees located in March <b>Figs excl. Hereward Hall</b>	Would provide accommodation for equivalent numbers of employees (136) relocating from sites listed under Option 0 with additional capacity for a further 100 employees to relocate from other service areas or partners that are either currently located in Fenland or elsewhere in the county.		
<b>Gross Internal Area sq m</b>	Aggregated area of approximately 4,035 sq m excluding Hereward Hall.	Wisbech Hub 1,813 sq m 100sqm space for youth activities	Wisbech Hub 1,000 sq m March Hub 813 sqm <i>Total area 1813 sqm</i>	Wisbech Hub 1383 sq m Chatteris Hub 215 sq m Whittlesey Hub 215 sq m <i>Total Area 1813</i>
<b>Baseline Buildings &amp; Divestments</b>	1. 100 Churchill Road 2. 4-6 Stermyn Street 3. Hereward Hall 4. Queen Mary Centre, Queens Road 5. March Business Centre (2) 6. March Youth and Community Centre 7. Fenland Register Offices (March) 8. The Centre, City Road, March	Divest from 7 buildings (Retain Hereward Hall)	Divest from 7 buildings (Retain Hereward Hall)	Divest from 7 buildings (Retain Hereward Hall)
<b>Receipts from sales</b>	N/A	March Business Centre, Dartford Road, March Queen Mary Centre, Wisbech		

Table 2. Fenland Project Options for Appraisal.

The Queen Mary Centre in Wisbech was initially used as the indicative site on which to base calculations for the early appraisal work of the various options to establish a new prime council facility in the town. This has been replaced latterly with the land at Somers Rd, as it is clear that the Queen Mary site has other potential uses with more significant regeneration opportunities. Other sites were considered and the selection of a preferred site will be carried out in discussion with partners including Fenland District Council.

Town centre or nearby locations are proposed with good accessibility for staff and public. Accessibility within the building would be designed in including reception and suitable ground floor meeting rooms.

## 4.2 Assessment Criteria

Both a financial and non-financial appraisal were carried out for each of the options. The criteria against which each option would be judged are shown in Tables 3 and 4. Briefly these were:

- Financial - Net Present Cost (40 Year) and Revenue Costs at Year 10.
- Non-financial – Service Modernisation/Transformation, Environmental Sustainability, Economic Regeneration, Efficiency Gain, Quality and Performance, Reputation, Partner Working and Deliverability.

The non-financial criteria were weighted and the same weightings applied to each BUPA project. In each case the non-financial appraisal was carried out by at least 3 people. At least 2 took part in the appraisal for each phase 1 project to maintain a consistent approach.

## 4.3 Evaluation of Options

### 4.3.1 The Financial Appraisal

Financial information was gathered for the options including existing lease costs, FM and maintenance costs and other running costs. Information was also gathered for Options 1, 2 and 3 to indicate the cost of provision including build costs, future FM and maintenance costs and other running costs based on a performance specification for a new build. In some cases actual data was unavailable and expert opinion and industry standards were applied.

In some cases, actual data was unavailable and expert opinion and industry standards were applied. Assumptions were made about the number of employees that could be moved into Fenland from elsewhere in the county and where those employees lived and worked. It is assumed that office accommodation would be provided at a 5:10 desk ratio.

Net Present Cost and Revenue Savings were calculated and were verified and approved by an accountant.

	Baseline	Option 1	Option 2	Option 3
Net Present Cost	£6,392,887	£18,402,223	£19,686,083	£18,289,883
Operating Expenditure (Year 10)	£235,465	£457,862	£465,062	£566,703

Table 3 - Net Present Costs and Revenue Costs at Year 10.

The financial appraisal indicates that all the options would require significant investment above the baseline position both in capital and revenue terms.

#### 4.3.2 The Non-financial Appraisal

In addition to the financial appraisal of the options, there was a need to test the options against the objectives of the BUPA Programme. Categories reflected the objectives using sub-division to reflect the need to score their different aspects. For example, 'Environment' was separated into a building performance element and a travel element, which were scored separately then aggregated to produce a single score.

Table 4 shows the results of the non-financial appraisal.

Category (weighting)	Option 0 - Baseline	Option 1 - Wisbech Hub	Option 2 - Wisbech Hub. Hereward Hall extension	Option 3 – Wisbech, Hereward Hall, Chatteris and Whittlesey
<b>Service Modernisation/ Transformation (15%)</b>	1	3.2	3.2	3
<b>Environmental Sustainability (20%)</b>	2	2.5	3	2
<b>Economic Regeneration (15%)</b>	1	4	4	4
<b>Efficiency Gain (12.5%)</b>	1	2.5	2.5	2.3
<b>Quality and Performance (5%)</b>	1	2	2	2
<b>Reputation (5%)</b>	1	2	2	3
<b>Partner Working (12.5%)</b>	1	4	3	4
<b>Deliverability (15%)</b>	4.3	3.7	3.3	2.7
<b>Total inc weighting</b>	158	264	269	238

Table 4. Non-Financial Scores (weighted).

The results of the non-financial appraisal indicate the potential for Options 1 and 2 to best meet the objectives of the Programme. Option 3 is also considered to be a considerable improvement on current.

#### 4.4 Preferred Options

In non-financial terms Options 1 and 2 were superior to Option 3 and far outperformed the baseline option. When the financial analysis is taken into account, although Options 1 and 2 are less cost effective than the baseline and Option 3, it can be argued that they represent better value for money overall because of the non-financial appraisals.

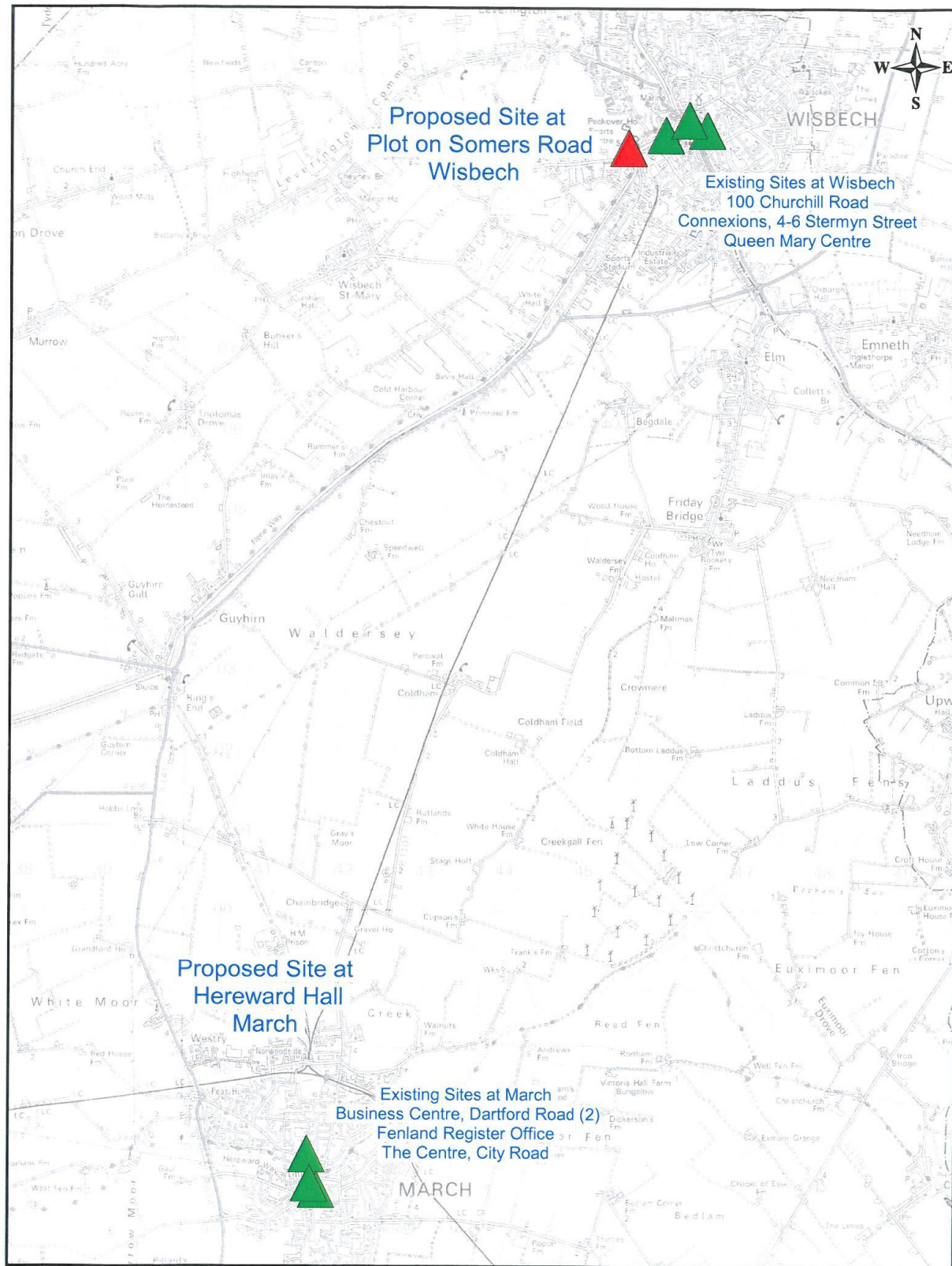


Further to this, as Option 1 outperforms Option 2 financially, whilst performing only marginally worse in the non-financial appraisals this report recommends Option 1 as the preferred option.

Sensitivity analysis has been used to demonstrate the cost of moving different numbers of employees/jobs to the area from elsewhere in the county. In some cases these jobs would be frontline; in the case of services wishing to undertake redistribution to where the need is. In other cases these would be back-office functions that could be undertaken from any part of the county. If it were intended that a significant number of employees/jobs be relocated then success of the project would be predicated on it having support at the highest level.

Key characteristics for the preferred option were stated in Table 2. This option would see the condensing of 7 sites in the Fenland area into a development of a plot on the proposed site of Somers Road in Wisbech. This is illustrated on the map overleaf.

## Fenland



Scale (at A3): 1:60,000  
Date: 10th August 2009  
By: bs270

File: \\CCC.Cambridgeshire.gov.uk\gis\Res\Ppd\Estates\NON-FARMS\BUPA\Site Relocations\09-08-10 Fenland.wor (Job No.1553)

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## 5. Preferred Option

### 5.1 Affordability

#### 5.1.1 Cost

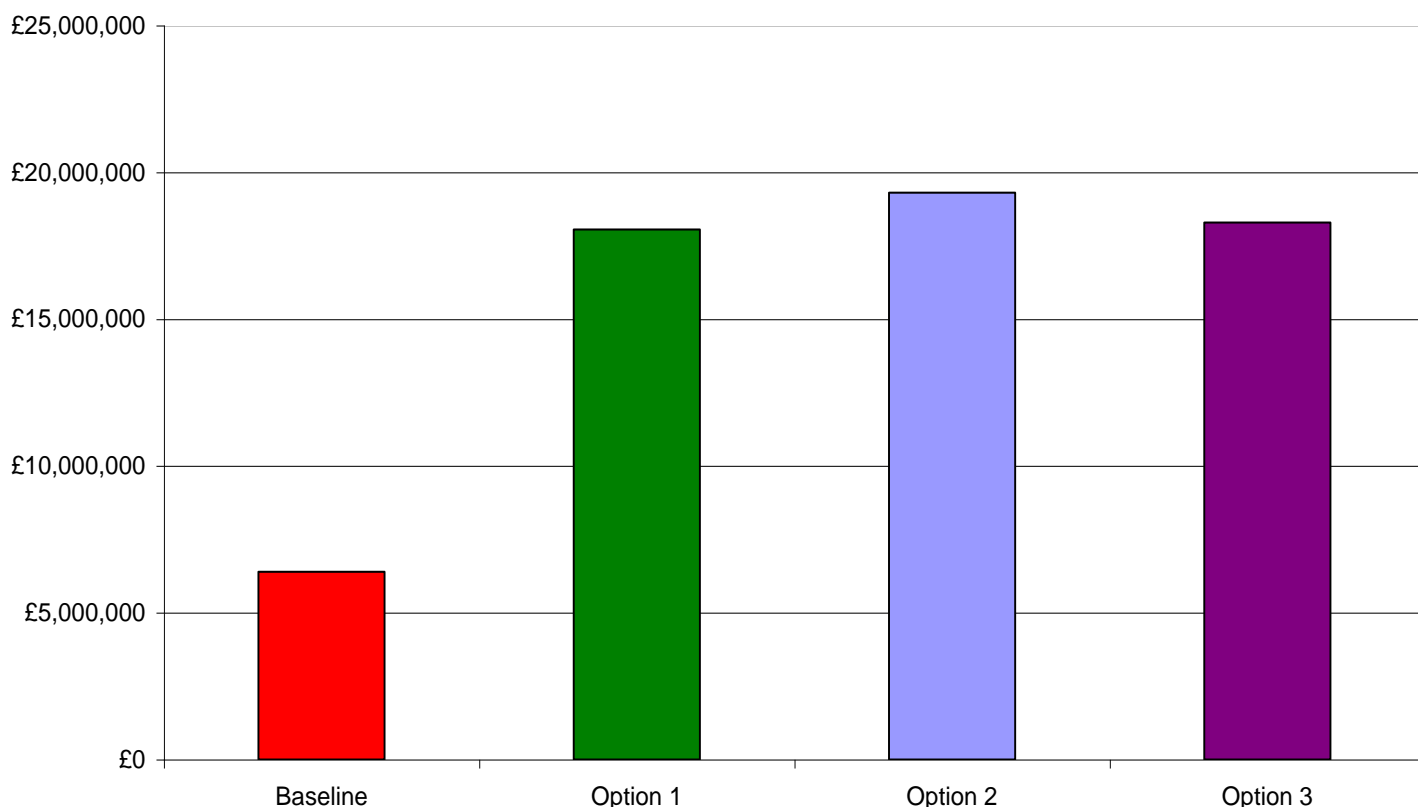
The table below displays the headline costings for all the options against the baseline.

	Baseline	Option 1	Option 2	Option 3
Capital Cost (Excl. Res Value)	£2,491,800	£8,340,804	£9,309,928	£6,953,456
Revenue Cost (40 Years)	£11,684,426	£29,542,171	£31,162,374	£31,367,211
Net Present Cost	£6,392,887	£18,402,223	£19,686,083	£18,289,883
Operating Expenditure (Year 10)	£235,465	£457,862	£465,062	£566,703

Table 5: Headline Costs for Options

The following diagram compares the Net Present Cost of all the options to the current baseline position:

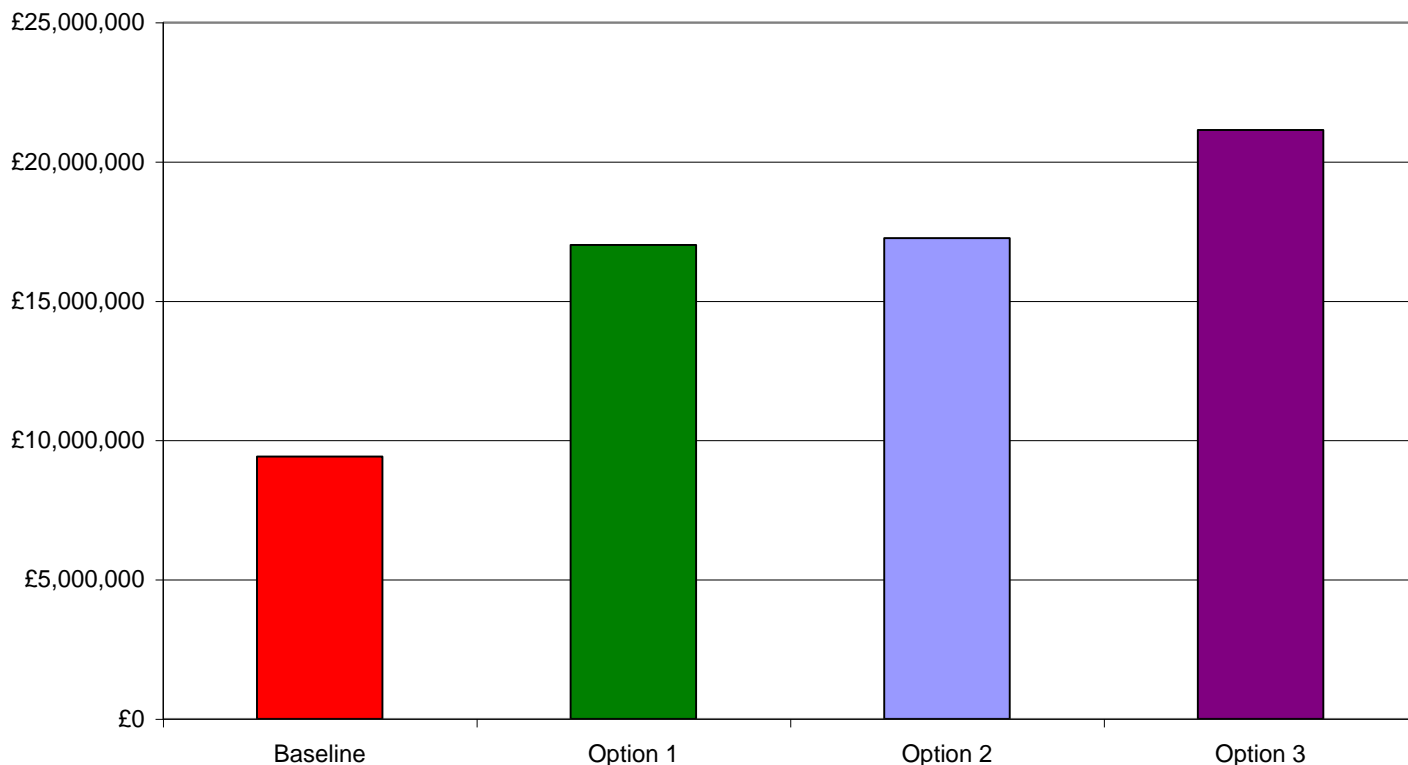
**Diagram 1 - Net Present Cost**



As the diagram above demonstrates all the options would require a significant investment above the baseline position. Whilst all the options have relatively similar NPCs it is Option 3 and Option 1 that represent the lowest cost 'do something' options.

Diagram 2 (below) describes the revenue costs of the project in year 10. This year has been selected to remove the impact of the short-term spike in revenue expenditure resulting from employee reorganisation costs.

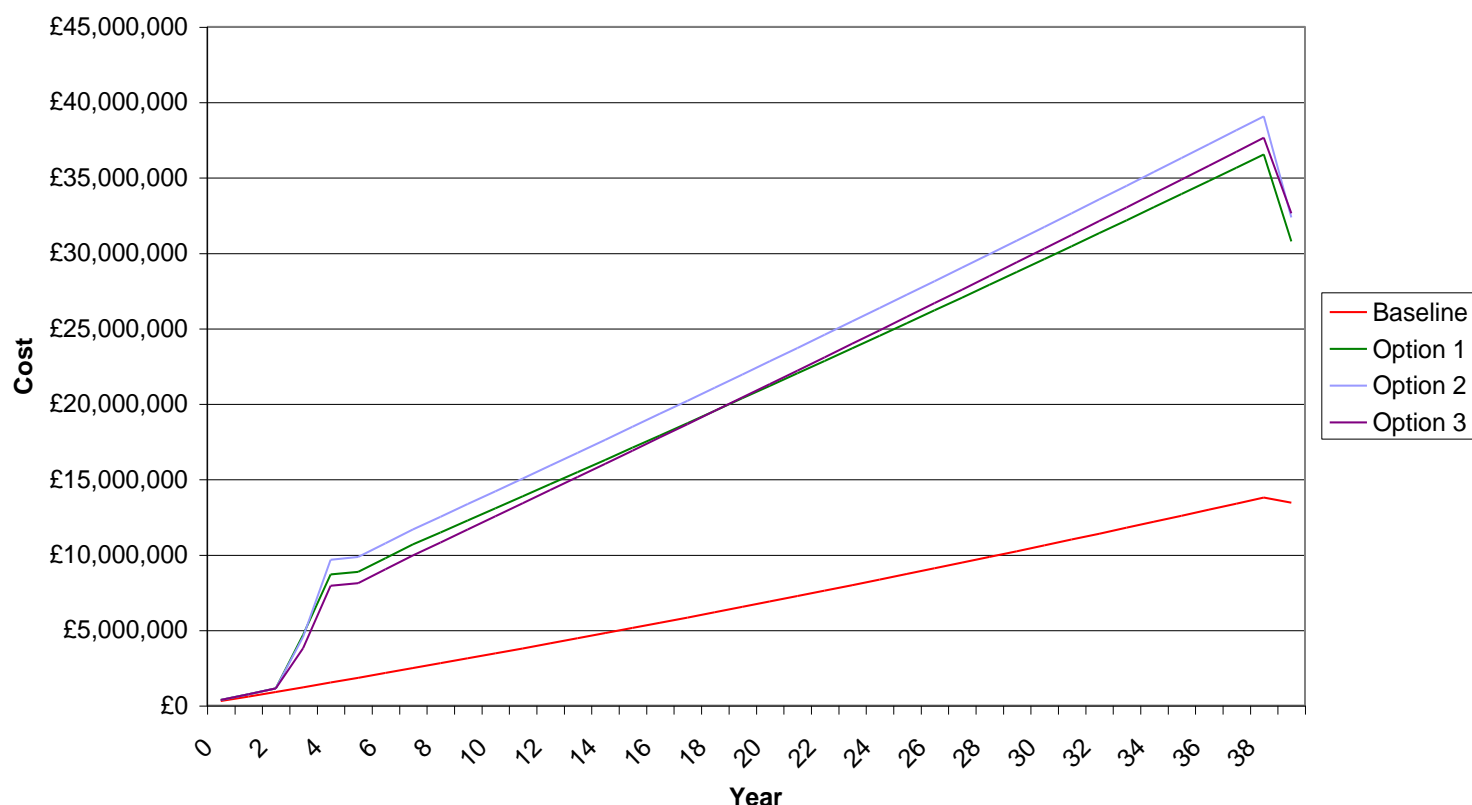
**Diagram 2 - Net Operating Expenditure (Year 10)**



As the chart above illustrates all the Options represent a significant jump in costs of over £200,000 pa. Whilst Options 1 and 2 have very similar revenue implications option 3 reflects a much larger rise in revenue costs due to the assumption of leased buildings in Chatteris and Whittlesey.

## 5.1.2 Affordability Diagram

**Diagram 3 - Affordability (Cumulative)**



The diagram above describes the cumulative expenditure for the options over the 40-year period. The dips on the right hand side of option 1 reflect the residual values of retained buildings, which are reflected as a capital receipt after 40 years.

As the graph indicates no option succeeds in breaking even with the baseline at any time during the projects life. This diagram details actual costs prior to discounting, and shows that under these circumstances option 1 outperforms both option 2 and 3.

## 5.1.2 Funding source

It has been assumed that the initial capital outlay included in all 'do something' options shall be funded using prudential borrowing and the costs of servicing this debt have been built into estimates throughout the projects life.

It is anticipated that all options will also generate an additional revenue burden on the organisation. It is anticipated that this burden will be counteracted by savings generated through other BUPA projects.

## 5.2 Achievability

### 5.2.1 Timescale

Estimates assume that the transition into any new built facility would occur in Year 4 after cabinet approval had been gained.

## 5.3 Investment Appraisal

Work to date on this project has shown that in straight financial terms Option 0 has the lowest cost in Net Present Cost terms. In the non-financial assessment Options 1 and 2 are well ahead of Options 0 and 3. It was apparent that some of the influencing factors to the overall financials could vary. Therefore a sensitivity analysis was undertaken to consider variations of the key influencing factors and their impact on the Options.

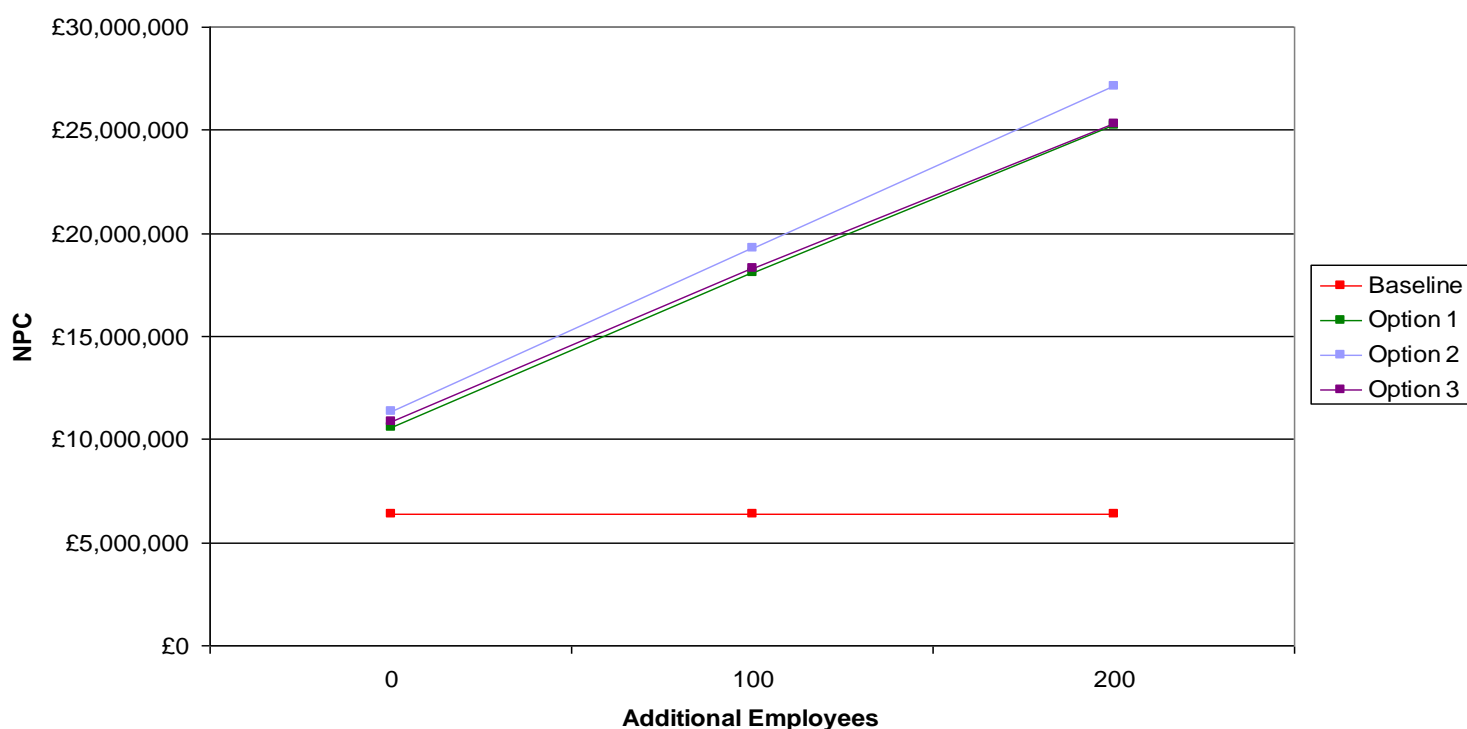
## 5.4 Sensitivity Analysis

The preferred option has been tested against the following sensitivities:

1) 100 less (zero extra Fenland-based employees) – This sensitivity examines the financial implications of reducing to zero the number of employees moved to the Fenland district from other areas.

2) 100 more (200 extra Fenland-based employees) – This sensitivity examines the financial implications of doubling the number of employees moved to the Fenland district from other areas to 200.

**Diagram 4 - Fenland Sensitivity Analysis**



As would be expected changing the numbers of employees moved to the Fenland area has a significant impact on the NPCs of all options. Changing the amount of employees moved from out of the Fenland area is particularly costly due to the reorganisation allowance payments due to employees whose work base has moved a significant distance. In the scenario of 200 employees moved to the Fenland area reorganisation costs have been estimated at £525,000 over 3 years.

It is also important to note that no options or sensitivities explored in this project assume any savings that may exist from freeing up space in other areas of the county to feed Fenland. Therefore, whilst an additional cost is incurred from moving additional employees to the Fenland district no corresponding saving from their old location is accounted for.

Further consideration as to the need and benefit of providing additional space for those not currently occupying the facilities in scope is required and this will affect the scale of the new facility.

## 5.5 Benefits

Under Option 1 as it is portrayed, there are no financial benefits but costs as demonstrated in Table 3. Sensitivity analysis shows that the degree of cost changes depending on a number of factors including the number of employees/jobs moved from elsewhere in the county into the Fenland area. Fewer employees/jobs substantially reduces both the Net Present Cost and future revenue costs however, conversely this also reduces the positive impact on regeneration.

The benefits of the preferred option are non-financial. Although the major benefit is to regeneration of the deprived area, there are a number of other potential benefits including the reduction of carbon emissions from CCC buildings, service improvement, reputation and efficiency. These benefits are detailed in Table 6.

Benefit	Aim
Contribute to the regeneration of deprived areas.	Initiate at least 1 construction workstream and move 100 jobs into the Fenland area.
Provision of modern flexible facilities.	Provision of around 1800 sqm of new space designed for flexibility.
Contributes to reduction of carbon footprint.	New space provision is designed to be energy efficient – achieving energy use of 133 KWh sqm pa (TFA)
Unlock value in land and buildings for reinvestment in frontline services.	Capital receipt - £730K will be reinvested in the project to provide improved accommodation for frontline and support services.
Reduce the number of leases for unsuitable buildings.	Withdraw from 4 leased buildings.



A more efficiently run estate/ principles of whole life costing applied.	Centralised revenue streams established and planned maintenance initiated.
Higher service performance and quality.	Methodology to assess will be determined.
Promote and support partnership working.	Attract 2 or more partner organisations to use the facilities.

Table 6. The Non-financial Benefits Associated with Preferred Options.

## 5.6 Risks and Impact

There are a number of risks associated with delivery of Option 1. These are shown in Table 7.

<b>Risk</b>	<b>Mitigating action</b>
Capital receipt value not realised.	<ul style="list-style-type: none"> <li>- Keeping in close touch with the marketing agents.</li> <li>- Progressing planning applications/ investigations/ preparations for future disposals.</li> </ul>
Difficulties in engaging key services.	<ul style="list-style-type: none"> <li>- Senior Manager involvement in discussing option with employees.</li> </ul>
New facilities not suitable for service requirements	<ul style="list-style-type: none"> <li>- Involve affected services in pre-design and design stages.</li> <li>- Develop building use guidelines in consultation with services.</li> <li>- Ensure space is as flexible as possible to enable change of use should occupying teams change.</li> </ul>
CCC employees do not buy in to the option.	<ul style="list-style-type: none"> <li>- Develop and implement an effective communication strategy and plan.</li> <li>- Provide support and advice to staff undergoing changes.</li> <li>- Ensure clear leadership is given from senior officers from across the council.</li> </ul>
Disruption to service delivery.	<ul style="list-style-type: none"> <li>- Planning of the design and delivery of the option with services.</li> </ul>
Not minimising carbon footprint.	<ul style="list-style-type: none"> <li>- Identify opportunities in design to minimise carbon footprint of any new space.</li> </ul>
Partner involvement impacts on scale and scope.	<ul style="list-style-type: none"> <li>- Engage partners now to determine requirements.</li> <li>- Ensure cost/benefit analysis of including each partner is carried out.</li> </ul>
Construction cost escalation due to unforeseen issues.	<ul style="list-style-type: none"> <li>- Contingencies provided in business case and in design brief.</li> <li>- Confirm that all relevant compliance standards are met and condition surveys are up to date.</li> </ul>
Planning consent not forthcoming	<ul style="list-style-type: none"> <li>- Continue to engage the local planning authority in the project.</li> </ul>



Opportunity to realise full regeneration benefits missed	<ul style="list-style-type: none"> <li>- Weigh the benefits of the movement of CCC jobs into the area.</li> <li>- Determine distributed model (Options 2 and 3) impact on regeneration.</li> <li>- Cost in any space/facilities freed up as part of this movement.</li> </ul>
Impact on retention of employees in posts moved to Wisbech	<ul style="list-style-type: none"> <li>- Produce guidance in consultation with HR and unions.</li> <li>- Manage cases on an individual basis via the line management structure.</li> </ul>

Table 7. Key Risks Associated with the Preferred Option.

When Option 1 is compared to Options 2 and 3, there are subtle differences in the regenerative affects. Option 1 concentrates the provision of new facilities in Wisbech where the need is greatest. Option 3 spreads the focus reducing the direct benefit to Wisbech but with space available in Chatteris through this option, the risk to retention of employees is likely to be reduced.

An extended risk analysis will be carried out as part of the planning work that will follow a decision to proceed with the preferred option. In addition, the impact of the Project on the Programme level risks that have already been identified will be undertaken.

## 5.7 Issues

Issue	Action
Lack of good transport links to Wisbech in particular reduces employees' travel options.	<ul style="list-style-type: none"> <li>- Ensure full range of flexible working options are available to employees.</li> </ul>
Changes in headcount impact on requirement for space.	<ul style="list-style-type: none"> <li>- New space to be flexible.</li> <li>- Option to reduce space in design.</li> </ul>
Outcome of the review of the Shire Hall project may impact on numbers of posts to disperse to Fenland	<ul style="list-style-type: none"> <li>- Monitor progress on Shire Hall scheme.</li> <li>- Review Shire Hall and Fenland projects together post cabinet decision.</li> <li>- Ensure other potential candidates for moving to Wisbech are identified.</li> </ul>
Changes require organisation wide buy-in.	<ul style="list-style-type: none"> <li>- Produce clear processes and guidelines.</li> <li>- Secure senior officer and member support.</li> <li>- Determine appropriate penalties for non-compliance.</li> </ul>

Table 8. Key Issues associated with the Preferred Option.

## 6. Delivery Approach

### 6.1 Governance arrangement

The project will adhere to the corporate approach to Programme and Project Management.

The governance of the project will be through the existing BUPA Programme structure. Table 11 shows the key decisions and responsibilities.

Key decision	Timing	Responsible
Cabinet approval to proceed to Stage 1	September 2009	Cabinet
<b>Stage 1</b>		
Sign-off the project plan	Winter 2009/10	Project Sponsor
Agree the resource allocation	Winter 2009/10	BUPA Programme Board
Sign-off the building/s design specification/s	Spring 2010	Project Board
Agree capital sales	Spring 2010	Cabinet
Agree the appointment of contractor/s	Summer 2010	Project Sponsor
<b>Stage 2</b>		
Undertake detailed design and tendering (depending on procurement method selected)	TBC	Project Board
Appoint contractor and construction phase	TBC	Project Board
Move in and commissioning	TBC - target 2013	Programme Board

Table 9. Governance for the Delivery of Option 3.

### 6.2 Approach for procurement

The procurement rules for Cambridgeshire County Council will be followed.

Facilities will be procured through the design and build method under EU procurement rules. Briefly the steps are:

- Create a design specification.
- Undertake the procurement process.
- Appoint a design and build contractor.
- Undertake detailed design work.
- Deliver the building.
- Close the workstream to deliver the building.

There is a potential opportunity for this project to be delivered as part of a larger project to deliver, for example a town centre redevelopment in Wisbech. This may open up further procurement methods:

- Local Asset Backed Vehicle (LABV). This would see a partnership formed with a private sector organisation to deliver this project as part of a larger development. Private Finance Initiative (PFI) may also be considered.
- Negotiated Tendering. This involves a lengthened tendering process and is designed to achieve better outcomes for large-scale projects.

A number of parallel workstreams would run alongside the procurement including service redesign, updated systems and processes, HR and communications.

### 6.3 Use of resources

There are a number of parallel workstreams running along with the building. The resources in Table 10 are required to deliver all workstreams.

Resource	Type	Area of responsibility
BUPA project management	Internal - project delivery.	The work associated with delivering the project.
Services based in the facilities in scope	Internal - service delivery input.	Advice and input into the solution design and use.
Other CCC services moved from elsewhere	Internal - service delivery input.	Advice and input into the solution design and use.
Other CCC services e.g. IT, FM, HR.	Internal - delivery of project elements.	Specialist resources required to deliver elements of the project including provision of IT, design of the processes required, the movement of employees, etc.
Internal property, finance and legal professionals	Internal - project delivery.	Professional advice and input into the delivery of the project.
Consultants	External - delivery of the buildings.	Specialist advice in relation to delivering the buildings not able to be provided internally.
Prime contractor	External - delivery of the buildings.	The design and build of new facilities to meet the design specification.

Table 10. The Use of Resources to Deliver the Preferred Option

## 7. Suggested Course of Action

It is clear that the potential to have a positive impact on Wisbech and the surrounding area exists and can be realised through the project. Financially this project represents a large commitment on the part of the Council. This capital investment should be considered as a positive demonstration of the council's commitment to the area and progressing with Option 1 is the recommended course of action. In addition, it is suggested that the opportunity to extend Hereward Hall in March be retained with a review of cost and benefit taking place as the project develops further. The amount of additional space provided in addition to re-providing for CCC employees in the buildings in scope should be subjected to further examination through development of the project and discussions with partners.

Should the decision to proceed with Option 1 - 3 not be taken, continuous review of changes to the components /factors that might influence a move would be monitored. For example, if an opportunistic purchase came to the market that would provide improved accommodation, the Council would have the ability to make a prompt and informed judgement to react to the market, based on the detailed investigative and preparatory work undertaken. If the opportunity to move does not present itself in the meantime, a full review should be carried out during years 4-5. If such a review concluded that a move were desirable, this would occur at around year 8.

A **Technical Brief** will be produced to contain all common assumptions or definitions for each element of the Business Case, e.g. financial model, sensitive analysis.

## 8. Appendix

Below is the financial pro-forma for the Fenland project. To access the full pro-forma including timings see this link:

[Finances\FP Merged Financials v0.2.xls](#)

	Baseline	Option 1	Option 2	Option 3
<b>CAPITAL</b>				
<b>1) Non-Recurrent Setup Costs</b>				
Land	£0	£0	£0	£0
Building	£0	£3,703,620	£3,703,620	£2,766,189
Externals	£0	£370,362	£370,362	£276,619
Fitout (Incl Furniture)	£0	£828,884	£828,884	£661,083
Move/Disposal Costs	£0	£48,200	£48,200	£48,200
IT	£0	£180,050	£176,953	£197,606
Professional fees @ 15%	£0	£769,667	£769,203	£592,455
Duplication Uplift @ 15%	£0	£0	£884,583	£681,323
Contingency @ 10%	£0	£590,078	£678,180	£454,215
<b>Sub-total</b>	£0	£6,490,862	£7,459,985	£5,677,690
<b>2) Recurrent Capital Running Costs</b>				
Maintenance	£2,491,800	£2,579,942	£2,579,942	£2,005,766
<b>Sub-total (pa)</b>	£2,491,800	£2,579,942	£2,579,942	£2,005,766
<b>3) Non-Recurrent Capital Returns</b>				
Residual Value	£730,000	£6,490,862	£7,459,985	£5,677,690
Capital Receipts	£0	£730,000	£730,000	£730,000
<b>Sub-total</b>	£730,000	£7,220,862	£8,189,985	£6,407,690
<b>Net Capital Cost (40 Years)</b>	£2,491,800	£8,340,804	£9,309,928	£6,953,456
<b>Capital Costs/Savings (vs Baseline)</b>		£5,849,004	£6,818,128	£4,461,656
<b>REVENUE</b>				
<b>4) Recurrent Running Costs</b>				
IT	£537,120	£664,860	£916,860	£1,559,040
FM Costs	£4,892,270	£16,166,739	£16,166,739	£15,844,017
Lease Costs	£3,989,200	£498,650	£498,650	£3,736,628
<b>Sub-total (pa)</b>	£9,418,590	£17,330,249	£17,582,249	£21,139,685
<b>5) Non-Recurrent Running Costs</b>				
Employee Reorganisation Costs	£0	£378,937	£226,968	£181,500
Project Management Costs	£0	£250,000	£250,000	£250,000
Cost of Borrowing (Prudential)	£2,265,836	£11,582,986	£13,103,157	£9,796,026
<b>Sub-total</b>	£2,265,836	£12,211,922	£13,580,125	£10,227,526
<b>Net Revenue Costs (40 Years)</b>	£11,684,426	£29,542,171	£31,162,374	£31,367,211
<b>Revenue Costs/Savings (vs Baseline)</b>		£17,857,746	£19,477,949	£19,682,785
<b>OVERALL</b>				
<b>Total Project Cost (Incl. Res Value)</b>	£13,446,226	£31,392,114	£33,012,317	£32,642,977
<b>Net Present Cost*</b>	£6,392,887	£18,402,223	£19,686,083	£18,289,883