

Better Utilisation of Property Assets Programme

Shire Hall Campus 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.

1.0 Executive Summary

Cambridgeshire County Council has recognised that its principal office building located on the Shire Hall Campus is no longer entirely fit for purpose for the delivery of 21st century services. The Council acknowledges the push by government to make local government's back office functions more efficient and has invested heavily in IT and major programmes such as WorkWise to this end. The current WorkWise programme has been successful in making the Shire Hall campus more efficient but compromises have had to be made due to the constraints of existing construction, layout, location and finance.

The Council has been working with private sector experts for the last 18 months to investigate the options available and this business case represents a summary of a considerable amount of work. Initially seven options were identified and presented to Better Utilisation of Property Assets (BUPA) Programme Board December 2008. Following review by Members in January and February 2009, four options were selected and considered in greater detail. The results of this consideration were presented to the BUPA Programme Board in July 2009.

The Shire Hall investigation has shown that, in straight financial terms, Baseline Option 0A has the lowest cost in Net Present Cost Terms. In the non-financial assessment the Single Site Option 2 is clearly the preferred option. In undertaking the sensitivity analysis a number of actions and assumptions indicate that the Single Site Option 2 is achievable.

Whilst the Baseline Option 0A has the lowest cost in Net Present Cost (NPC) terms, it will not promote the service transformation that the organisation needs.

The Enhanced Baseline Option 0B will see the County Council contract on the existing Shire Campus site, and will address some of the backlog maintenance issues. However it will not promote the service transformation that the organisation needs.

Single Site Option 2 is £27.3m more expensive than Baseline Option 0A. However, in the right set of circumstances and with a robust approach to headcount it can be made more viable. It will deliver flexibility and sustainability benefits and cause less disruption to services. Furthermore this option offers the prospect of "kick-starting" a major development in the growth area at Northstowe and providing regeneration opportunities.

Split Site Option 3 delivers some flexibility and sustainability benefits. However, of the 4 options this is the one that could now be omitted on the basis of cost and the inability to achieve a reduction of over one third of the headcount in a reasonable time scale.

There is the opportunity of joining the Shire Hall Campus project with some of the other BUPA projects and in this event accruing economies of scale across the BUPA programme.

The County Council, in considering its preferred option, will have to balance the capital cost with the long-term efficiency, sustainability, accessibility benefits and regeneration opportunities offered by this project in a recession.

2.0 Background and Context

2.1 The Need for Change

Currently, the Council's principal headquarters office accommodation is located on the Shire Hall Campus, close to the centre of Cambridge. The Shire Hall Campus buildings have served the Council's needs since the 1930s, but it has become apparent that they are no longer entirely fit for purpose for the delivery of services in the 21st century and are not sufficiently flexible to meet the future needs of the Council. The facilities are expensive to maintain, services are spread across several buildings and there is not equitable access to all members of the community. Significant investment is required to address these issues and for backlog maintenance.

The Shire Hall campus is 4.5 hectares (11.1 acres) in area and is owned freehold by the Council. The Council has let out approximately one third of the built site (including Black Horse House, in a horseshoe shape to the north of Castle Court) on long leases with the remainder retained by the Council. The site stretches from the Castle Mound to the corner site (Babbage House) fronting Victoria Road.

The Council's current WorkWise programme has been successful in making the existing Shire Hall and Castle Court office accommodation more efficient but it is, nevertheless, a compromise due to the constraints of the existing construction, layout, location and finance.

Government is leading in the transformation of the workplace to ensure their estate adapts to meet the challenges of the modern age. Their most recent publication "Working Beyond Walls" provides guidance on how their departments can radically enhance the ways in which they deliver high quality services and that the key messages are equally applicable to local government. The technical brief will include greater detail of the government's approach.

Other local authorities have undertaken transformational programmes involving property and have seen success as a result. Hertfordshire consolidated to 2 main sites: divesting of a number of properties in the process and improving ways of working as a result. Worcestershire have developed a History Centre with the local university and carried out a WorkWise style project to make better use of office space. Suffolk used an opportunistic purchase in Ipswich to improve their office accommodation. Lastly, St Edmundsbury Borough Council were part of a two-partner development to produce a public sector "village".

There are a number of key drivers including:

- Current required (backlog maintenance) of:
 - Years 1 to 5 - £6.4m.
 - Years 6 to 10 - £15.7m.
- Current annual operating costs of £2.6m.

- A Suitability survey undertaken in 2007 designated the site as “Better Utilisation” (the opportunities for better property utilisation would be realised through a project).
- The value of the Shire Hall Campus site is estimated (summer 2009) at £15.6m following a downturn in the market since the £22.8m valuation by Carter Jonas in 2008. This valuation depends on planning consent for residential development being granted.
- The potential to aggregate with other BUPA projects such as Corporate Storage and Distribution, Employee Training, Fenland and Cambridgeshire History Centre.
- The opportunity to make more efficient and effective use of other council facilities e.g. meeting rooms in existing Cambridgeshire County Council (CCC) buildings.

2.2 The Objectives

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

The objectives specific to the project include:

- Reduce the revenue cost of the “Headquarters estate” by £1m per annum.
- Provide flexible facilities that are easily adaptable and able to provide joint accommodation with partners.
- Maximise space utilisation by reducing to a minimum the number of “empty” desks.
- Contribute to economic regeneration.
- Contribute to “kick-starting” housing growth areas.

2.3 The Challenge

The challenge is a combination of meeting the authorities requirements, the political dimension, employees’ working conditions and partnership working. All this is within the background of the recession and falling land values.

There is a degree of uncertainty about the long-term size and shape of local government so future-proofing the solution is critical to ensuring additional expenditure is not incurred at a later date.

3.0 Scope

The scope of the project covers the existing Shire Hall Campus site, full off site and part (split) site solutions. The new site options use the proposed Northstowe

development as a basis. This was primarily for the purposes of estimating costs and identifying the issues surrounding a new site option.

The key characteristics of the existing Shire Hall Campus site:

- The buildings retained by the Council to provide accommodation comprise:
 - The Shire Hall and Octagon
 - Castle Court
 - Babbage House (leased)
 - Park House (leased)
 - Old Police House
 - Register Office
 - 42 Castle Street.
- 16,500m².
- 1336 full time equivalent staff.
- Required (backlog) maintenance requirement of:
 - Years 1 to 5 - £6.4m
 - Years 6 to 10 - £15.7m
- Suitability survey undertaken in 2007 designated Shire hall campus site as "Better Utilisation"

The key characteristics of a new site:

- 9,500m² required for single site, or 6,000m² for new space on a split site option (retaining the Shire Hall building).
- Assumes a 50% desk ratio.
- Entire Shire Hall Campus site sold for £15.6m (or Shire Hall building retained for split site option).
- BREEAM excellent rating achieved for new builds.

EXCLUSIONS:

- Re-provision of IT data centre and machine room (however allowance has been made to replace the air conditioning system in year 1, replace chillers in year 2 and replace stand by generator in year 2).
- Cambridgeshire Community Network (CCN) renewal.
- IT resilience.
- Re-provision of emergency control room (bunker).
- Any additional space requirement in excess of 300m² required for Register Office service improvements.
- Employee costs (up to £1.4m has been identified, depending on which option, for the reimbursement of additional mileage incurred by staff relocating for a maximum of 3 years).
- Partner involvement is being fully explored and, while not specifically included within the scope of the project, the solution will retain the flexibility to allow partners to be included.

4.0 Options Appraisal

4.1 Investigation

The County Council undertook an 18-month investigation using nationally recognized consultants with wide experience in this area of activity. The Council had no preconceived view on the location of office accommodation within Cambridgeshire or the form of the solution; however it does aspire to occupy less space at a lesser cost.

4.2 Options considered

Following on from the initial work, which identified seven preliminary options; reported to the BUPA Programme Board in December 2008 and reviewed by Members in January/February 2009; four options were selected and considered in greater detail as noted in **Table 1: Options**. (NB. the original option number designations were retained.) These 4 options were presented to BUPA Programme Board in July 2009.

Option	Shire Hall options		Significant Relocation Options	
	0A	0B	2	3
	Baseline	Enhanced Baseline	Relocate to single site	Split site (retain Shire Hall)
Overview	Occupied buildings; Shire Hall Octagon Castle Court Park House (office & restaurant) Babbage Castle Lodge The Old Police St.	Large buildings refurbished (Castle Court, Shire Hall & Octagon) & operational footprint reduced [Relocate staff from Babbage & vacate 1 wing of Castle Court] [Park House restaurant retained]	Relocation off site to new facility (wholly consolidated) (assuming 50% desk ratio) Small city centre public office (Customer Access Facility)	Operational hub located outside the City Centre (assuming 50% desk ratio) Shire Hall retained - C Suite facility (approx 60) & desk space for 331 staff – 70% desk ratio) (works assumption same as 0B) [Park House restaurant retained]
	Retain Castle Lodge/ Register office (200 sq m)		Register office - stand alone facility (300 sq m) [request for larger]	
	Sublet - Castle St, Black Horse House & Park House	Surrender Babbage Exit - Park House (on expiry) Sublet - Castle Court (2 wings - Black Horse House + additional wing)	Exit current portfolio at end of construction - Jan 2017	Exit all buildings except Shire Hall
Space (approx)	Occupied: 16,500 sq m Sublet: 1,845 sq m Total: 18,400 sq m	Occupied (>works): 12,250 sq m Sublet: 3,700 sq m Total: 16,000 sq m	Occupied (all new): Core Hub: 9,000 sq m Registry Office: 300 sq m CBD presence: 200 sq m Total: 9,500 sq m	Occupied: New 6,000 sq m (assuming 50% desk ratio) + Shire Hall (4,949 sq m) + Park House (500 sq m) 11,750 sq m
Receipts	N/a	Peripheral buildings (Castle St, Old Police St)	Shire Hall, Octagon, Castle Court, The Old Police St, Castle Street, Castle Lodge/ Register Office + Park House Restaurant	Octagon, Castle Court, The Old Police St, Castle Street, Castle Lodge/ Register Office + Park House Restaurant (10% reduction in value)

Table 1: Options

A variation on Option 2 has emerged (not presented to the BUPA Programme Board), as a consequence of the prevailing economic situation, whereby an opportunistic relocation to a developer-led scheme could arise. This variation has not been investigated to the same depth as the other options, although a number of scenarios have been tested and the results are included here for comparative purposes.

	Scenario A	Scenario B	Scenario C	Scenario D
	40 year term, 9,300m ² , rent of £24 per ft ² , 12 months rent free, fit out costs included	Same as "A" but rent is £22 per ft ² , 24 months rent free	Same as "A" but rent is £20 per ft ² , 24 months rent free	Same as "A" but 30% reduction in head count
Net Present Cost (40 Year) (including operating expenditure)	£86.9m	£83.2m	£79.6m	£62.8m

Table 1a: Net present cost lease option

4.3 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 (**Tables 2&3.**)

- Financial - Net Present Cost (40 Year) and NET operating expenditure at Year 11.
- Non-financial – Fitness for Purpose, Sustainability, Community & Regeneration and Deliverability.

The non-financial criteria were weighted and the appraisal carried out by at least 3 officers including at least 2 who took part in every BUPA Programme phase 1 project (of which Shire Hall campus is one) non-financial appraisal.

4.4 Evaluation of Options

4.4.1 The Financial Appraisal

Financial information was gathered for the options including existing lease costs, Facilities Management (FM) and maintenance costs and other running costs. Information was also gathered for Options 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. Options 2 and 3 include for the provision of a Register office (max size 300m²) and a ratio of 10 persons to 5 desks. For Option 2 a town centre customer access facility is allowed for. In some cases, actual data was unavailable and expert opinion and published industry standards were applied.

Once the figures had been compiled, Net Present Cost and Revenue Savings were calculated and have been verified and approved by accountancy teams.

	Option 0A	Option 0B	Option 2	Option 3
Net Present Cost (40 Year) (including operating expenditure)	£57.6m	£66.6m	£84.9m	£93.1m
NET operating expenditure (at year 11)	£2.9m	£1.7m	£2.4m	£3.0m

Table 2: Net Present Costs and Revenue Costs at Year 11

4.4.2 The Non-financial Appraisal

The Shire Hall project team, together with a representative of Environment Policy and Projects, undertook an initial assessment of the options (Table 3). The scoring mechanism assumed a 1-5 (low-high) points scoring system and a weighting.

On the basis of the non-financial evaluation, the off-site options return a significantly higher score than the Shire Hall site options, with Single Site Option 2 having the highest.

		Weighting	Option 0A	Option 0B	Option 2	Option 3
			Baseline	Enhanced baseline	Relocate to single site	Split site (retain Shire Hall with)
Fitness for Purpose	Quality & Flexibility of Space	50%	1	1.5	5	4
	Accessibility & Amenities		3	3	2	2
Sustainability		20%	1	1.5	4	4
Community & Regeneration	Contributes to Local economy	15%	1	1	1.5	1.5
	Supports Community agenda		3	3	2	3
Deliverability	Timescales & Risks	15%	4	4	4	3
	Disruption factor / Business Continuity		5	1	4	4
Total inc weighting			218	210	341	316

Table 3: Non-Financial scores (weighted)

4.5 Preferred Options

The results of the appraisal process were presented to the BUPA Programme Sponsor and Programme Board on 23 July 2009 who decided that all 4 options would be presented to Cabinet.

5. Preferred Option

5.1 Affordability

5.1.1 Cost

The following diagram (Diagram 1) compares the Net Present Cost of the options to the current baseline position. The Treasury book discount rate of 3.5% has been applied to all figures to calculate Net Present Cost estimates.

- The Net Present Cost figures (over 40 years) in all options are higher than Option 0A.
- A gap exists between Baseline Option 0A (£57.6m) and Enhanced Baseline Option 0B (£66.6m).
- Relocation to a Single Site Option 2 (£84.9m) is more affordable than Split Site Option £ (£93.1m).
- Capital receipts under all options fall short of the capital expenditure required.

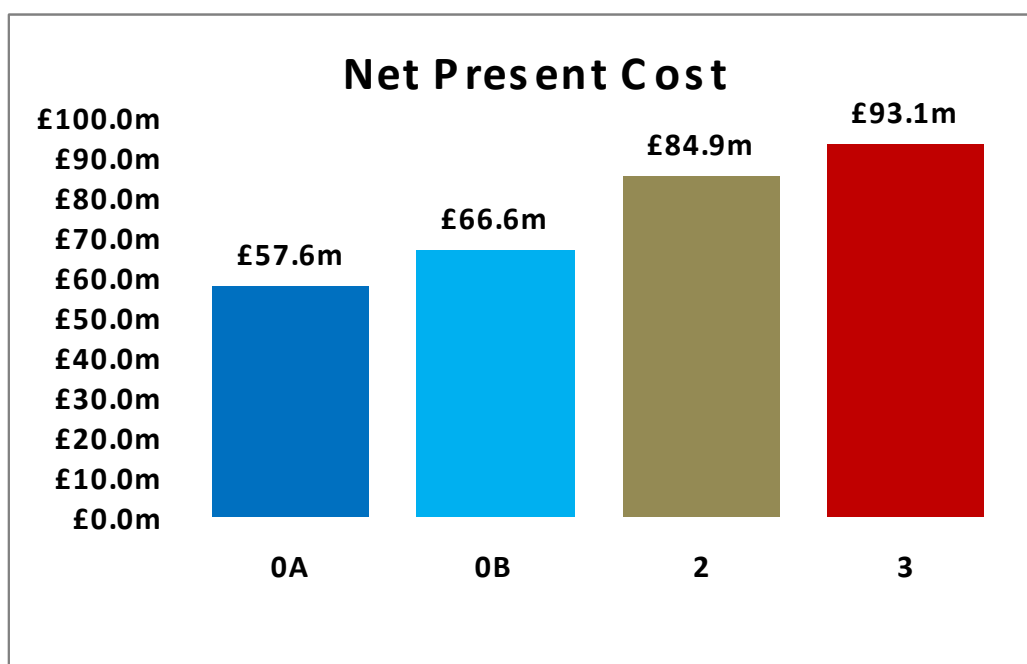


Diagram 1: Net Present Cost of Baseline and Option 0B, 2 and 3

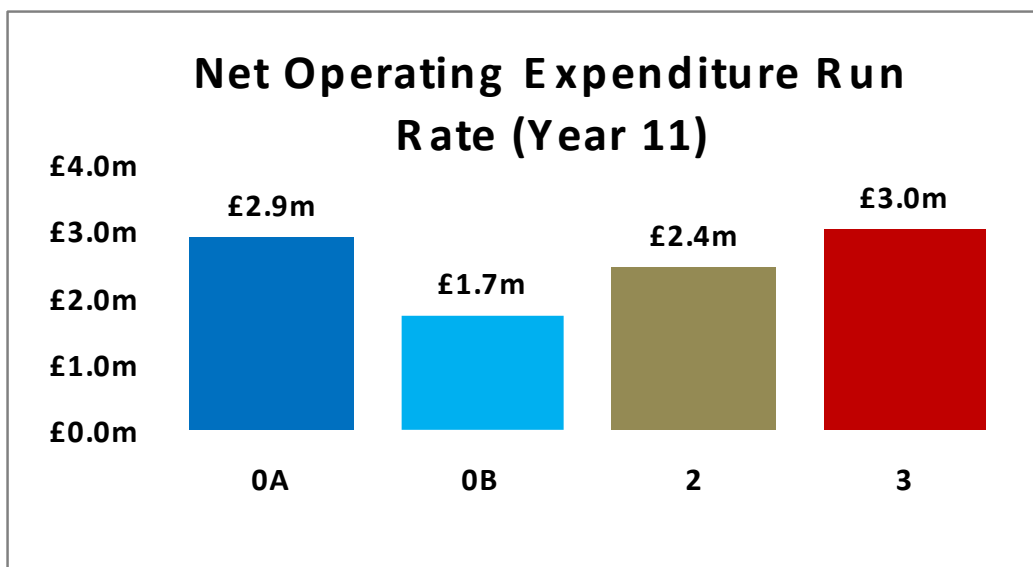


Diagram 2: net revenue costs year 11

- These figures take in to account income received from sub letting space (and assumes space is fully let).
- It is taken at year 11 so as to provide a fairer representation (taking out the early peaks and troughs).
- Baseline Option 0A and Split Site Option 3 show the highest annual cost profile.
- Savings accrue under the Enhanced Baseline Option 0B.
- Significant annual savings depicted under Relocation to Single Site Option 2 reflect the consolidated scale of presence rather than variance in unit running costs.
- Savings under Split Site Option 3 are relatively low.

5.1.2 Affordability Diagram

The following diagram (Diagram 3) shows how finance smooths the cash flow profile of each option over a 40-year term. It assumes an interest rate of 4.4%.

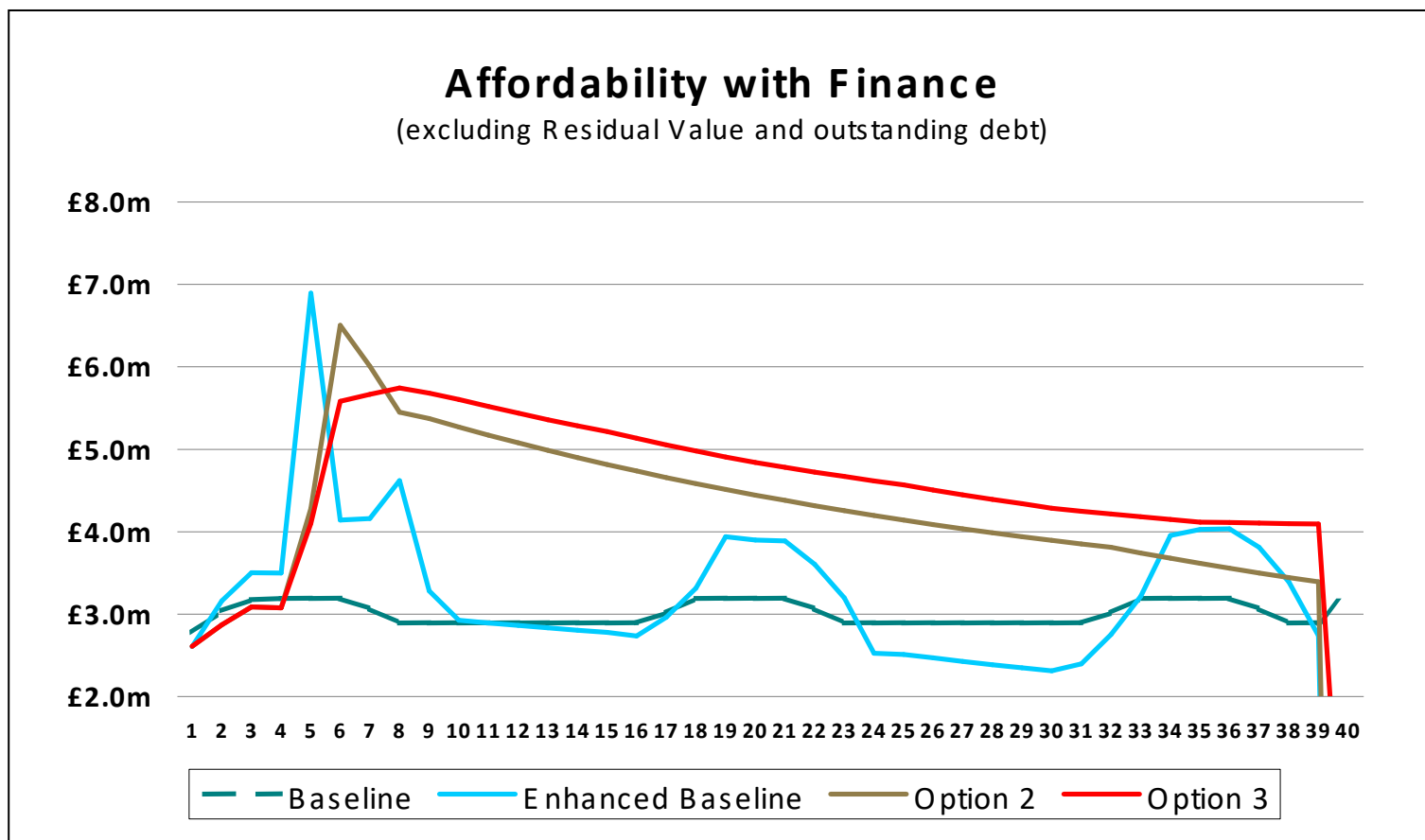


Diagram 3: Affordability with Finance

5.1.3 Funding source

Funding will be a combination of capital receipts and prudential borrowing according to the option taken forward.

5.2 Achievability

The table below (Table 4) indicates the time scales for the various options.

Option	Shire Hall Options		Significant Relocation Options	
	0A	0B	2	3
	Baseline	Enhanced Baseline	Relocate to single site	Split site (retain Shire Hall)
Timing	Annual expense based on blended benchmark guidance	Shire Hall - Short term hold position (Years 1-7) Longer term investment in large building starts in Yr 8 onwards (planned refurbishment & maintenance profile over 40 years)	Shire Hall - Short term hold position (Years 1-7) New site Purchase land: Year 5, 2014 Construction start: Year 6, 2015 Construction end: End Year 7, 2016 Occupation: Year 8, 2017	Shire Hall - Short term hold position (Years 1-7) Shire Hall building starts in Yr 8 onwards New site Purchase land: Year 5, 2014 Construction start: Year 6, 2015 Construction end: End Year 7, 2016 Occupation: Year 8, 2017

Table 4: Timing

5.3 Investment appraisal

The Shire Hall investigation has shown that in straight financial terms Baseline Option 0A has the lowest cost in Net Present Cost terms. In the non-financial assessment the Single Site Option 2 is clearly the preferred option. 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 which were identified as headcount, cost of land at Northstowe, value of the Shire Hall Campus site and build quality.

5.4 Sensitivity analysis

The project has been tested on various scenarios as detailed in the diagram below (Diagram 4)

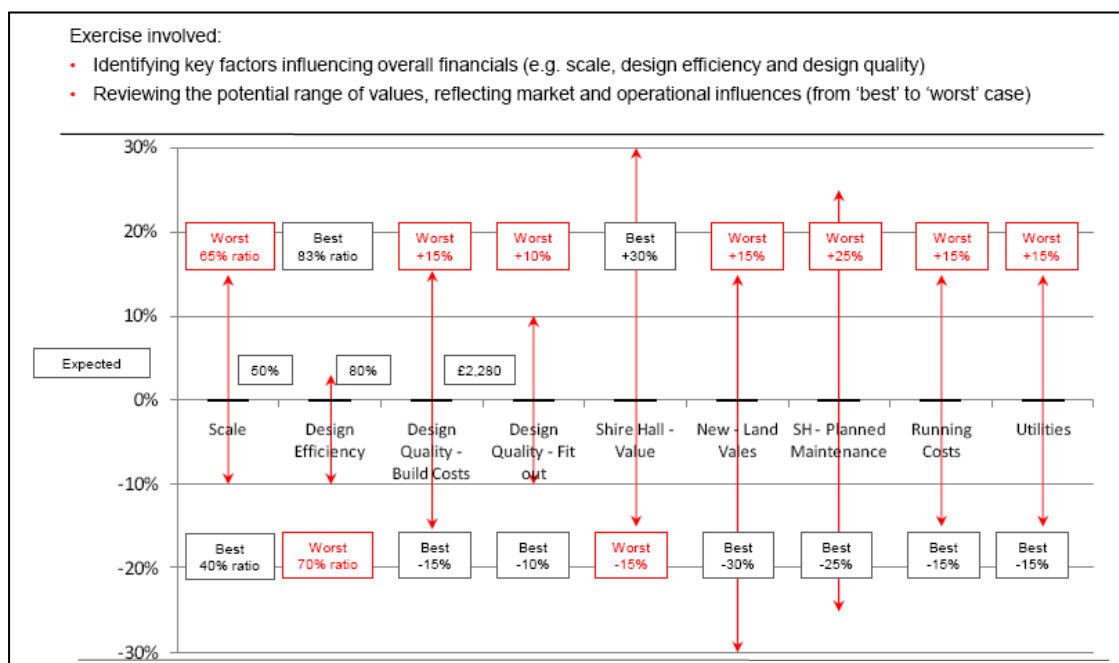


Diagram 4: Sensitivity Analysis – ranges Suggested

The cumulative impact of these sensitivities has been assessed and is represented in the diagram below (Diagram 5).

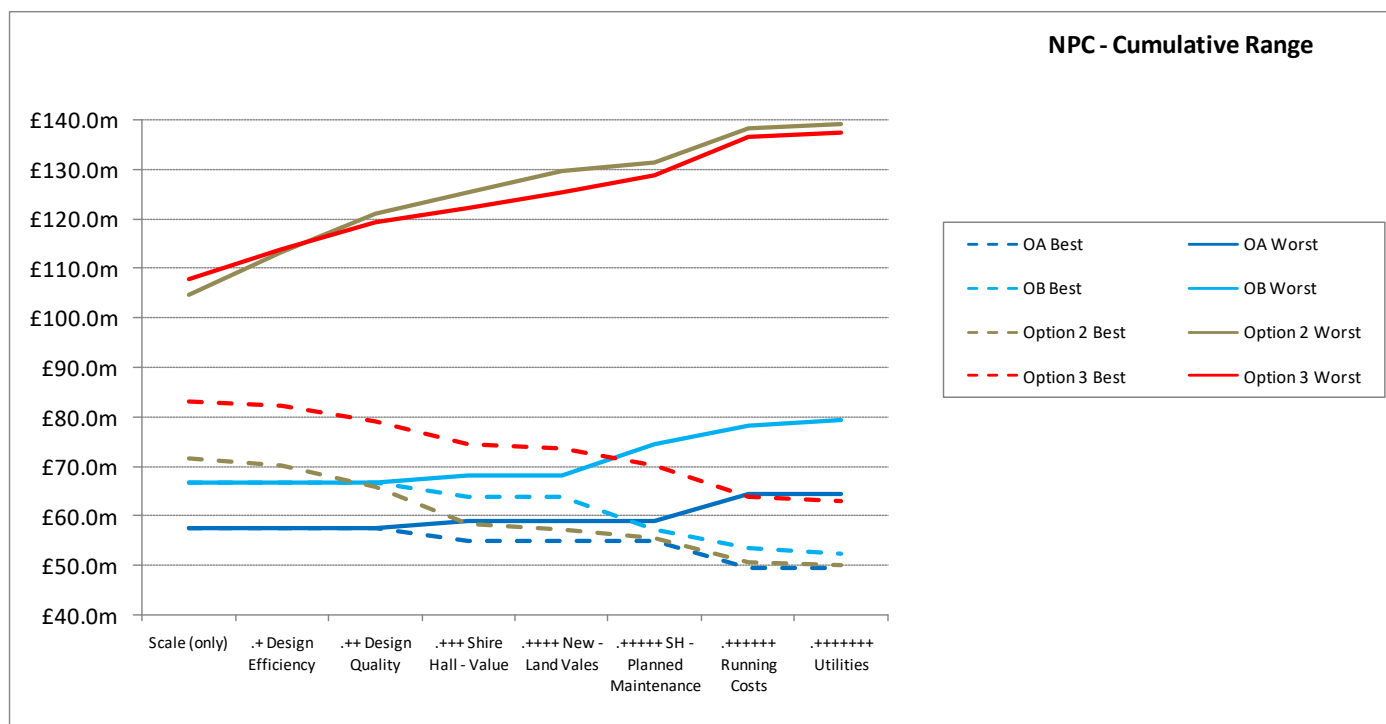


Diagram 5: Sensitivity – NPC Comparison Cumulative Impact

Where expected values are applied, the Baseline Option 0A is more economic than all the other options. The Net Present Cost gap is mainly attributable to the high capital costs of new buildings and refurbishment in all change options, which are not offset by the expected capital receipt for the Shire Hall site.

The key “tilt” points have been analysed, changing the variables listed below both in isolation and combination to find the point at which the cost gap between the Baseline Option 0A and the other options is reduced to zero.

Headcount – A reduction in headcount would impact on the size of new build required. This could be by way of an absolute headcount reduction and/or the introduction of shift working in the new building. Diagram 6 shows there would need to be 30% reduction for Single Site Option 2 and over 35% reduction for Split Site Option 3 (Diagram 6) The revenue reductions in these two scenarios would be just under £1m pa for Single Site Option 2 and £0.8m for Split Site Option 3.

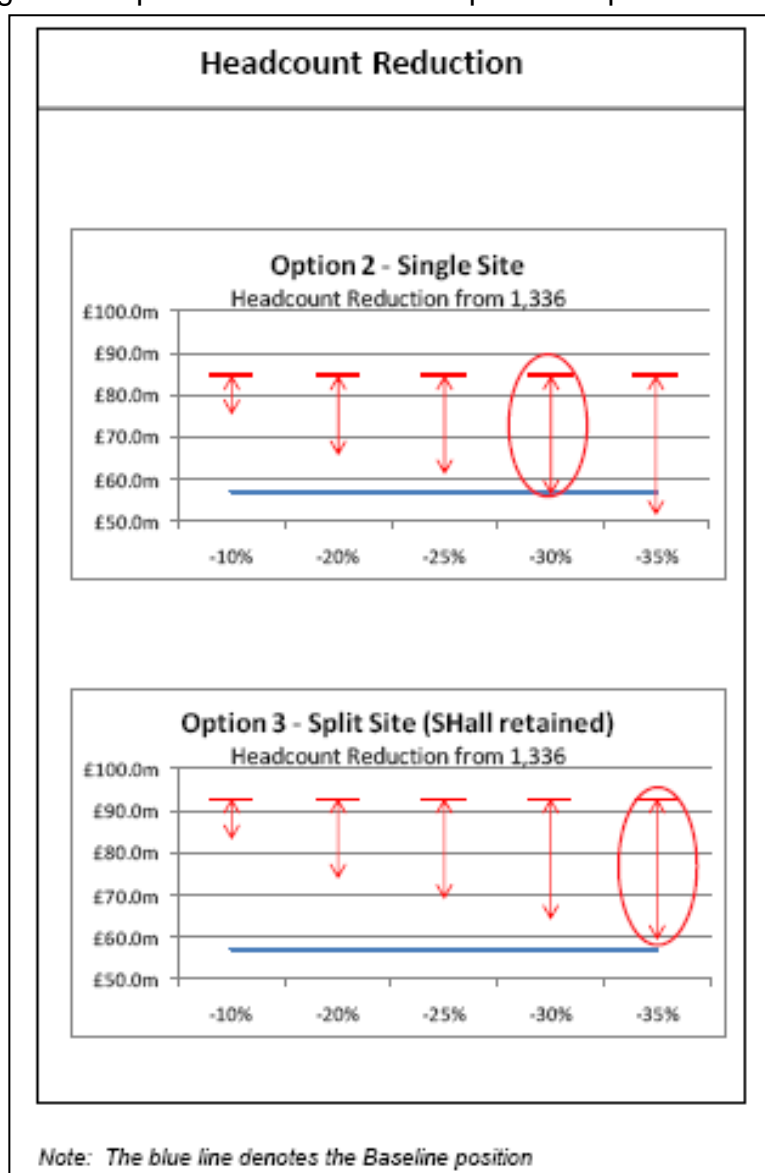


Diagram 6: Headcount Reduction

Land cost and land value – This is the combined impact of acquiring land at Northstowe for nil cost (the Council will need to use its negotiating position as a catalyst for the development of Northstowe) and achieving the high end of the value range for the Shire Hall site (reflecting the possibility of a special purchaser coming forward). The diagram below (Diagram 7) indicates the various scenarios for Single Site Option 2 and Split Site Option 3.

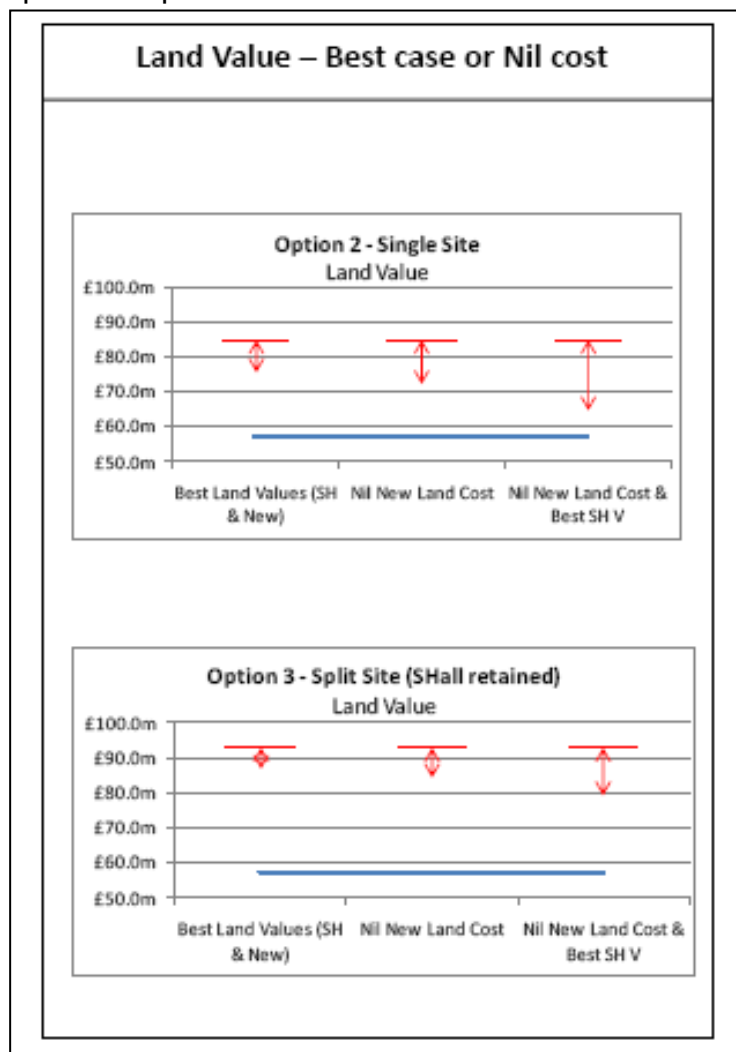


Diagram 7: Land Value – best case or Nil Cost

None of these scenarios eliminates the NPC gap.

Build Quality – The council's discretion to reduce build quality is somewhat constrained by its policy of aiming to achieve BREEAM excellent and the anticipated Building Regulations' requirements from 2010. In isolation any changes will have a minimal impact. However the cumulative effect of reduced build costs together with optimistic assumptions around land values and land costs (nil new land costs) and headcount reduction will eliminate the NPC gap. The various scenarios of build quality; values and headcounts are indicated in diagram 8 for both Single Site option 2 and Split Site Option 3 (Diagram 8).

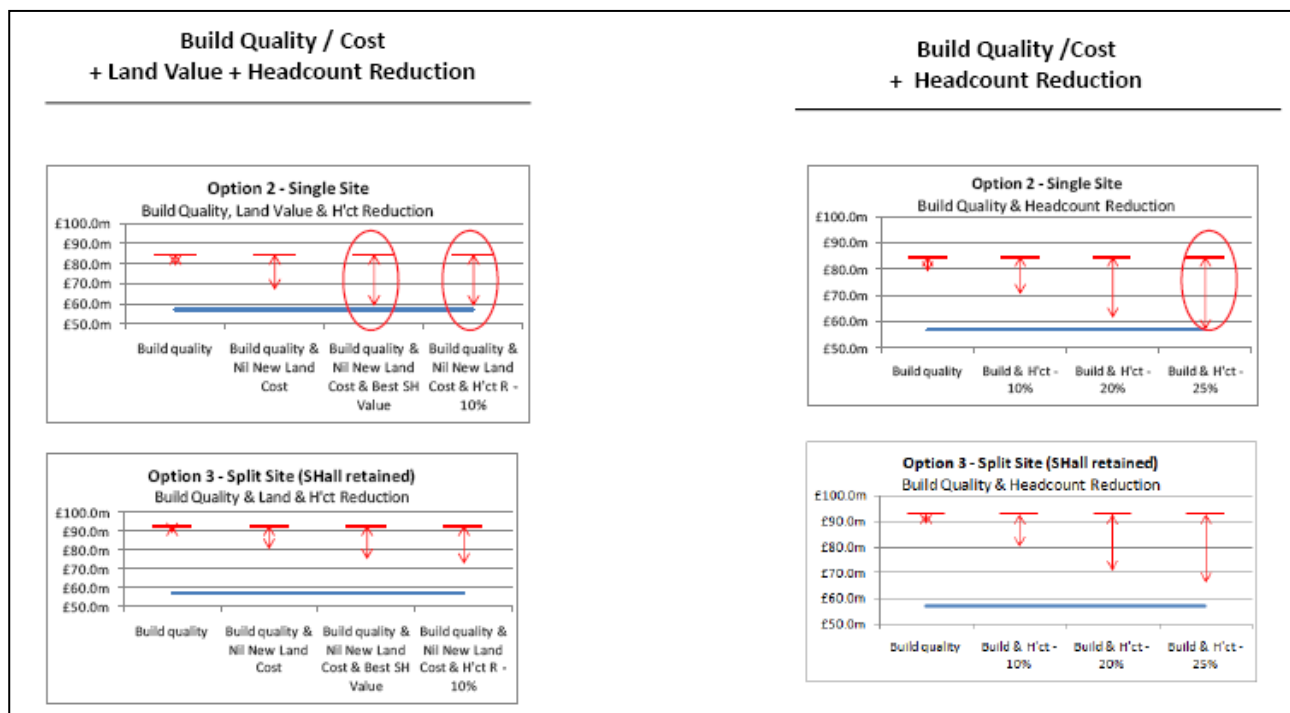


Diagram 8: Key tilt points - cumulative effect

The three scenarios (ringed) in diagram 8 indicate where the NPC gap has been eliminated.

5.5 Benefits

The Baseline Option 0A has the lowest cost in Net Present Cost terms. The Enhanced Baseline Option 0B will see the County Council contract on the existing Shire Campus site, and will address some of the backlog maintenance issues. However it will not promote the service transformation that the organisation needs.

Single Site Option 2 is £27.3m more expensive than Baseline Option 0A. However in the right set of circumstances and with a robust approach to headcount it can be made more viable. It will deliver flexibility and sustainability benefits and cause less disruption to services. Furthermore this option offers the prospect of “kick-starting” a major development in the growth area at Northstowe and providing regeneration opportunities.

Split Site Option 3 delivers some flexibility and sustainability benefits. However, of the 4 options this is the one that could now be omitted on the basis of cost and the inability to achieve a reduction of over one third of the headcount in a reasonable time scale.

5.6 Risks and impacts

Allied to the sensitivity analysis are a number of additional risks that have not been allowed for:

- IT costs in relation to the data centre/machine room and connection to the CCN network have not been included. Further work is required to establish the differential cost associated with IT investment in relation to each option.
- Increased build costs imposed as a result of higher sustainability standards introduced through new Building Regulation in 2013.
- Increased costs over and above the £12 per tonne for carbon credits as part of the Carbon Reduction Commitment are not included.

5.7 Issues

There are a number of issues that will need to be considered:

- Timing and deliverability of a Council building in Northstowe is dependent on the resolution of the two promoters' relationship, the development control process and the delivery of the required site infrastructure.
- Employee/transition costs. An allowance has been made in respect of temporary compensation for additional mileage incurred by staff relocating to a new building, however no other employee related costs have been identified.

6. Delivery approach

6.1 Governance arrangements

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. The table below (Table 5) shows the key decisions and responsibilities assuming the Single Site Option 2 is selected (as this option has the longest lead in and will be influenced by the availability of a site which will in turn influence the overall programme).

Key decision	Timing	Responsible
Cabinet approval to proceed to Stage 1	September 2009	Cabinet
Stage 1		
Sign-off the project plan	Spring 2010	Project Sponsor
Agree the resource allocation	Spring 2010	BUPA Programme Board
Agree short term hold position on investment inn Shire Hall site	Spring 2010	BUPA Programme Board
Identify and resource parallel work streams	2010	BUPA Programme Board
Agree funding method and capital sales	2010	Cabinet
Ascertain a suitable site and negotiate acquisition	2011	Cabinet/Project Sponsor
Sign-off the building brief	2012	Programme Board
Sign-off the method of procurement of new building	2012/2013	Cabinet
Agree the appointment of consultants (depending on procurement method selected)	2012/2013	Project Sponsor
Stage 2		
Undertake detailed design and tendering (depending on procurement method selected)	2013/2014	Project Board
Appoint contractor and construction phase	2015/2016	Project Board
Move in and commissioning	2017	Programme Board

Table 5: Governance for the delivery of the selected option

6.2 Approach for procurement

The procurement rules for Cambridgeshire County Council will be followed.

Procurement will apply to 2 major elements:

- The short term holding position projects.
- The new build office.

Procurement will involve the production of a brief, assessment of tenders and appointment.

The new office building can be procured in a number of ways and will reflect the prevailing market conditions:

- OJEU negotiated approach.
- Design and build (could also be turnkey) – OJEU notice will be required.
- Local Authority Assets Backed Vehicle – OJEU notice will be required.
- PFI (if joined with other projects) – OJEU notice will be required.
- Existing strategic project management, design and construction partnerships.

The short-term works which are likely to include the “holding works” on the Shire Hall site, decommissioning of redundant/surplus buildings, commissioning of the new site as well as the legal, marketing and agency support will all be procured through existing partnership/ framework arrangements.

A number of parallel work streams would run alongside the procurements including service redesign, updated systems and processes, Human Resource (HR), FM and communications. These are important areas of work and will require significant resources.

6.3 Use of resources

There are a number of parallel work streams operating along side the building construction. The resources in the table below (Table 6) are required to deliver all work streams.

Resource	Type	Area of responsibility
BUPA project management	Internal - project delivery.	The work associated with delivering the project.
Other CCC service delivery teams	Internal - service delivery input.	Advice and input into the solution design and use.
Other CCC corporate service teams e.g. IT, FM, HR.	Internal - delivery of project elements.	Specialist resources required to deliver elements of the project
Internal property, finance and legal professionals	Internal - project delivery.	Professional advice and input into the delivery of the project.
Consultants	External - delivery of the building.	Specialist advice in relation to delivering the building not able to be provided internally.
Contractor (and/or developer)	External - delivery of the building.	Deliver the construction project

Table 6: The Use of Resources to preferred option

7. Suggested Course of Action

It is clear that a move from the Shire Hall site either wholly or of a substantial part would bring a large number and range of benefits to the Council and wider community. However, for the business case to meet the initial financial parameters requires a positive alignment of several key components e.g. lower land cost, reduced headcount, higher desking ratio and higher capital receipts. Progressing on this basis in the current and foreseeable economic climate would be a high-risk strategy and is not recommended. Therefore, current site option 0A is the most prudent in the short term.

This onsite option would include essential maintenance and potentially limited improvements required to occupy for a further 10 years. The maximisation of the space available would be key to staying onsite and transformational elements including further WorkWise application and both the enforcement of the required current culture change associated with WorkWise as well as further culture change would be required.

Continuous review of changes to the components/factors that might influence a move to an off-site option will be monitored. During the appraisal of options, a move from Shire Hall Campus to Northstowe was assessed and this can be shown to deliver a number of benefits. The commitment should be made now that once the development of Northstowe is at a suitable stage, it is the intention of the council to relocate. 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 10.

8. Appendix

Below is the financial pro-forma for the Shire Hall Campus Project:

	Shire Hall Options		Significant Relocation Options	
	Option 0A: Baseline	Option 0B: Enhanced Baseline	Option 2: Relocation to single site	Option 3: Split site with Shire Hall
Aggregate Total Cost				
Current Site				
Income	£7.6m	£14.1m	£0.6m	£0.6m
Residual Value	£33.4m	£31.2m	£30.0m	£22.4m
Capital Receipts	-	£2.2m	£22.3m	£13.5m
Operating Expenditure	(£102.9m)	(£93.1m)	(£18.0m)	(£18.0m)
Exit Costs	(£0.4m)	(£1.0m)	(£1.0m)	(£1.0m)
Ongoing Capex	(£24.4m)	(£44.0m)	(£7.3m)	(£15.0m)
Sub total	(£86.8m)	(£90.5m)	£26.6m	£2.5m
Future Site				
Income	-	-	-	-
Operating Expenditure	-	-	(£70.0m)	(£85.5m)
Sinking Fund (new)			(£7.7m)	(£6.9m)
Capital Expenditure (project)			(£59.2m)	(£45.4m)
Sub total	-	-	(£137.0m)	(£137.8m)
Overall Total	(£86.8m)	(£90.5m)	(£110.4m)	(£135.3m)
Net Present Cost	(£57.6m)	(£66.6m)	(£84.9m)	(£93.1m)
Annual run rate (year 11)	(£3.2m)	(£2.3m)	(£2.4m)	(£3.0m)
Annual net run rate (year 11)	(£2.9m)	(£1.7m)	(£2.4m)	(£3.0m)

PCT Net Present Cost	(£5.3m)	(£5.3m)	(£8.9m)	(£8.9m)
Register Office Share NPC	n/a	n/a	(£2.4m)	(£2.4m)