

# Report

**Subject** : Office Centralisation Project  
**Report to** : Cabinet  
**Date** : Thursday 31 May 2007  
**Author** : Management Team, Alan Osborne and John Crawford

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## 1. Purpose

To present an updated business case in the light of the motion to Full Council on 21 May 2007, calling for a review of the office centralisation project and to outline the implications of:

- 1.1. continuing the project
- 1.2. cancelling the project
- 1.3. modifying the project

## 2. Background

The office centralisation project's aims are to:

- 2.1. improve services to customers through a one stop shop for all services
- 2.2. achieve cost-savings through reduction in duplication, improved productivity, reduced running costs and the sale of surplus buildings.
- 2.3. provide accessible, fit for purpose buildings for customers and staff, including those with disabilities.

Detailed preparatory work was conducted during 2003/4 and a thorough assessment was undertaken of a number of sites. Bourne Hill was selected by the Cabinet as the preferred location for centralisation. During 2005, a projected budget, asset disposal, initial design, contract and decant arrangements were put in place.

In May 2006 planning permission was granted and in June the updated business case and budget were agreed. In July 2006 the Listed Building Consent was received from the Secretary of State. Bourne Hill closed its doors to members of the public in October 2006, and all council staff previously housed at Bourne Hill decanted to alternative accommodation. The final decision to proceed with the project was made at Full Council in December 2006 and the enabling contract and main contract were let. Preparatory work started at Bourne Hill in February 2007.

## 3. The Updated Business Case May 2007

3.1. Following the election of a new administration and the motion to Full Council calling for a review of the office project, the business case has been updated. A copy is attached as **Appendix 1**. For ease of reading all May 2007 updates are shown in bold typeface. A summary analysis of the financial and legal implication for the council of continuing the project, cancelling the project and modifying the project is outlined below.

### 3.1.1. Continuing the project as agreed by Full Council in December 2006

The current position with the project is based on two contracts having been let to demolish/enable the project and to refurbish and construct the new extension.



Awarded in:  
Housing Services  
Waste and Recycling Services



### Legal Implications

The implications for this option are contained in the supplemental report.

### Financial Implications

The current budget for the project was agreed at Full Council in February 2007 at £10,663m Net. Since this was agreed the council has incurred additional and unplanned expenditure on security and legal costs to deal with the protest of approximately £300,000. Whilst the project had an inbuilt contingency of some £800,000, this was not designed to cover such expenditure and therefore this amount will be reported as an overspend in the 2006/7 outturn report in June. In addition there will be additional costs consequent upon the review of the project.

#### 3.1.2. **Cancelling the project**

### Legal Implications

There are four major legal matters to consider if this option is to be pursued.

Firstly, the main construction contract may be ended under law but compensation will be payable. The amount of compensation payable will, as a minimum, represent loss of profit for the main contractor and sub-contractors together with all demonstrable costs incurred since the appointment in February 2007 to the point of cancellation. Consultant's fees will be payable in addition.

Secondly, the Council would potentially expose itself to regulatory risks as development has commenced. It is open to the council as planning authority to serve a completion notice under section 94 of the Town and Country Planning Act 1990 after the expiry of planning permission (3 years). The effect of a completion notice is that planning permission will cease to have effect after a period of not less than 12 months. If work is not carried out in that time the development carried out may become unauthorised. In such circumstances the council as planning authority may decide to take enforcement action if the site is not made good. This option is not available with regard to listed building consent. A power also exists under section 215 to require the site to be tidied up. A fresh listed building application would be required as well in any event, to address any revisions to the listed building works required as a result of demolition abutting the protected building and any modifications to the proposed refurbishment. A revised Memorandum of Understanding would also need to be agreed and potentially a new planning application depending on the scale and extent and impact of the works. If a fresh listed building application was not submitted to address changes, some of the conditions of the planning permission and building control coupled with requirements of the conditioned Memorandum of Understanding may still need to be complied with, such as long term management plans for the archaeological preservation of the site and for landscaping and habitat creation, fabric repairs to the listed building and a scheme for the provision of public art.

Thirdly, the Council would potentially expose itself to risks of non-compliance with statutory duties under the listed building and disability access regimes with regard to the Council House:

a) The owner of a listed building is obliged not to allow it to fall out of a reasonable state of repair. Consultants have reported on the current state of the repair of the Council House and the measures needed to be taken to refurbish it. The Council as the regulatory authority would have to take a view as to which of those measures should be carried out by the Council as landowner to be satisfied that the Council had met its statutory duties.

b) Service providers are expected to make reasonable adjustments to their buildings so that there are no physical barriers stopping or making it unreasonably difficult for disabled people to access services or find a way of providing services another way. The Council would have to establish what measures would need to be taken to enable it to meet its statutory duties.

Fourthly, the Council would need to consider its duties under Section 114 of the Local Government Finance Act 1988 (see section 4 below).

### Financial implications

Subject to legal processes, in the event of termination of the project being agreed by Full Council some £4m of abortive sunk costs will have been expended. In addition an independent assessment of termination liabilities by the Council's quantity surveyors and cost consultants estimates the penalty cost of termination to be significant (see exempt report for estimate).

The consultants cite the period of delay as being the biggest single contributor to the costs being at either end of that spectrum. The rules relating to accounting treatment of abortive capital schemes are contained in the statement of recommended practice written by CIPFA. At the point of such abortive costs being incurred, the correct accounting treatment is to charge such costs to revenue.

Costs in relation to the refurbishment of Churchfields Depot (Approximately £600,000) would legitimately continue to be capitalised. Unless a scheme, which is materially the same as the existing scheme can quickly be brought into execution, even at the lower end of the estimates above some £6m would become chargeable to revenue.

The Council currently has some £1.5m of revenue reserves (in line with the Council's policy on reserves agreed in March 2007 and the Medium Term Financial Strategy). The only mitigation against such costs falling on the revenue account would be to apply to DCLG for a determination to charge to capital and whilst this still requires an alternative scheme to be brought forward and financed it still leaves the Council with the cost of servicing the finance used. A decision on capitalisation would take at least a few months.

The Government has recently issued guidance to Councils, which makes determinations difficult to obtain as they affect the Government's overall public sector borrowing requirement. There is provision within the determinations regime to allow such determinations on the basis of impoverishment (effective bankruptcy)

The only other possible recourse would be to agree a form of accounting treatment with the Audit Commission to defer charges to revenue over a period of time. This would however lead to qualification of the Council's accounts in addition to the revenue consequences.

### 3.1.3. **Modifying the project**

The final option that has been analysed for the updated business case is a modified scheme at Bourne Hill. In practical terms this would be a substantial reduction in the size of the extension in order to prevent development on the "walled garden" and would require the retention of Wyndham Road, Pennyfarthing House and Churchfields Depot. Therefore the benefits of centralisation would be removed and the outstanding actions from the Audit Commissions report on Customer Access would remain.

#### Legal implications

The main construction contract would still need to be ended and assuming all necessary consents are obtained for the modified project, the works (the subject of the modified project) would need to be re-tendered in accordance with the EU procurement regime. Compensation would be payable for the ending of the existing contract.

The Council as landowner would need to apply to the Council as planning authority and to the Secretary of State for consent for a modified project.

#### Financial implications

Whilst the issue about capitalisation would largely disappear as the majority of the costs of the scheme could properly be charged to capital, there would be significant costs and risks attached to this option. These would include:

- The cost of planning application and impact studies (including a new environmental impact assessment)
- The cost of consultation
- The cost of redesign (which could far outweigh any saving in materials)
- The cost of delay (estimated to be at least 1 year)
- The cost of renting additional space through the delay
- The cost of consultants to carry out further impact studies
- The cost of DDA compliance of the estate retained as a result of the need to retain accommodation to house all staff
- The ongoing backlog of repairs to those retained buildings
- The reduction in revenue savings as a result of the split estate
- The loss of capital receipts on the sale of previously surplus assets (Wyndham Road, Penny Farthing House)
- The loss of potential rental income from third parties

Of the list above the most material element would that of delay. In the exempt section of this report a range of costs is given by the quantity surveyors on termination of the existing

contract, even at the date of the report it is estimated that due to elapsed time the likelihood is that the Council would be at the higher end of that scale.

The major risks with financial consequences that would be reopened are:

- The market risk of re-tendering with loss of confidence by the market following initial cancellation
- The disruption to the design team, with possible loss of key members
- DDA compliance within a suitable timescale
- Any costs associated with the report under exempt business

**4. Statement by Heads of Financial Services and Legal and Property Services in their capacity as statutory officers**

The Council is under a fiduciary duty to its taxpayers with regard to its use of and accounting for public money. Under Section 114 of the Local Government Finance Act 1988 the Chief Finance Officer is under a duty to make a report to each Member and the Council's Auditor if it appears to him that the actual or proposed expenditure of the Council in a financial year is likely to exceed the resources available to it to meet that expenditure. Council is required to consider such a report on or before the expiry of 21 days and during that time the Council must not enter into any new agreement which may involve the incurring of expenditure. This is referred to in section A9 of the Council's constitution.

Should Cabinet decide to recommend to Full Council that the project is cancelled then a Section 114 report would be considered.

**5. Comments from Unison**

The Branch Administrator for Unison has commented as follows in the event of cancellation or delay:

There will be a risk of action from UNISON. If Health and Safety Regulations are being breached and no remedy is forthcoming then the union has already said that complaints will be made to the HSE and other action will be considered by the union in protest. Staff morale will be affected by continuing to work in substandard facilities.

Staff health and welfare could be affected by substandard working facilities. Unison has concerns about the effect of sick building syndrome and impact on staff sickness absence along with the negative impact on recruitment and retention of staff.

**6. Management Team Recommendation**

The Management Team readily acknowledges local opposition to the office centralisation project at Bourne Hill. However we are also mindful of the stage the project has reached and the consequential financial implications on the Council's budget of cancelling the project or indeed developing alternatives at this stage.

When taking all the circumstances in the round it is recommendation of the Management Team to advise Cabinet not to cancel this project. Assuming Cabinet accept this advice, the additional items contained within the supplemental report must be considered.

Should Cabinet chose not to accept Management Team's recommendation, the matter will need to be referred to Full Council for a decision. In the interest of minimising potential additional abortive costs it is recommended that this is held as soon as possible. The earliest this could be is Monday, 11 June 2007.

**7. Implications:**

- 7.1. Financial: Contained in the report
- 7.2. Legal: Contained in the report
- 7.3. Personnel: A cancellation or delay as a result of modified scheme would have a negative impact on staff morale, recruitment and retention, sickness levels and the ability to recruit staff with mobility disabilities.
- 7.4. Community Safety: contained in the business case
- 7.5. Environmental: contained in the business case
- 7.6. Human Rights: a contract is a property right for the purposes of Protocol 1 Article 1 (protection of property). Payment of compensation for any cancellation of the contract should not infringe the Protocol.

**8. Ward(s) Affected: All**

**Salisbury District Council**  
**Business Case for the Office Project**

**1. Strategic Fit**

1.1. Business need

Salisbury District Council wishes to centralise all seven offices and reception functions onto one site.

The council has three key reasons for wishing to centralise:

- To improve customer services through a one stop shop for all services (in place of the receptions operated from within four of our seven offices).
- To achieve cost savings through the reduction of duplication, improved productivity, reduced running costs and sale of surplus buildings (including the old pool site to the rear of the Council House) enabling investment in enhancing and conserving the Council House.
- To provide an accessible, fit for purpose building for customers and staff, including those with disabilities (and thereby comply with the Disability Discrimination Act).

There are numerous, significant problems with the existing seven office buildings.

Currently the public are required to walk or drive between four of the buildings if they wish to obtain all council services. None of the seven buildings are fully compliant with the Disability Discrimination Act.

The buildings are very costly to maintain due to their age and condition. It is not possible to incorporate environmentally friendly features. Maintenance costs are high.

The organisation is fragmented through staff being based in seven buildings. This weakens the corporate capacity of the organisation and reduces effective interdepartmental communication.

External inspections of the council have reinforced the need for the council to implement centralised offices.

1.2. Organisational overview

Salisbury District Council provides services to the people who live and work in the 400 square miles of the district. Key issues facing the district include:

- Affordable housing.
- Waste generation and recycling.
- Traffic congestion and transportation.
- Pockets of deprivation.
- Relatively low levels of crime but high fear of crime.
- Accessing services in a large, predominantly rural community.

The Council has 7 political priorities:

- Improving Customer Service.
- Maintaining our Housing Stock.
- Delivering More Affordable Housing.
- Improving Waste Management.
- Improving Transportation.
- Improving Community Safety.
- Creating better places to live.

To achieve these political priorities, 4 supporting organisational priorities have been adopted:

- Meeting the Financial Challenge.
- Improving the Performance of the Council.
- Partnership working and community engagement.
- Building the capacity of the organisation.

The office project is supported by a number of corporate strategies including the:

- Asset Management Strategy.
- Capital Strategy.
- ICT Strategy and E Government.
- Community Strategy.
- Diversity Policy.
- Human Resources Strategy, including the Work Life Balance Policy.
- Medium Term Financial Strategy.
- Environmental Strategy.

A range of core values guides all the council's work. The contribution of this project to those values is outlined in section 1.9.

### 1.3. Contribution to key objectives

This project contributes to the council's priorities through:

- Improving Customer Service
  - To create a Customer Contact Centre within Bourne Hill that will provide a single point of contact for handling a minimum of 80% of all enquiries, with a choice of access – in person, by phone, by letter or e mail.
  - To supplement the City Customer Contact Centre with mini centres in rural areas.
  - To offer a range of public services through working in partnership with others.
  - To provide a fully accessible building that meets the requirements of the Disability Discrimination Act.
  - To improve customer satisfaction through an integrated approach to delivering services.
  - To provide for community use public rooms and exhibition space.

- **Building Organisational Capacity**
  - To increase staff productivity through removing unproductive time and inefficiencies inherent in housing employees in the seven buildings within the City.
  - To improve communication and team working by all office based staff working on a single site at the redeveloped Council House.
  - To improve motivation and morale of staff through the provision of fit-for-purpose accommodation.
  - To focus staff on either front or back office activity.
  - To reduce the space required and improve work life balance of employees through innovative approaches such as hot-desking.
  - To provide a building that is able to respond positively to changes in activities, services etc.
  
- **Meeting the Financial Challenge**
  - To reduce the costs of running inefficient buildings and duplicating reception/postal, telephone and ancillary services.
  - To provide an affordable, deliverable, flexible and value-for-money solution to the council's customer contact and accommodation requirements.
  - To maximise the council's assets to support centralisation.
  - To enhance the efficiency of the Council House and to provide an efficient extension and accrue long-term savings.
  - To provide a solution that has a positive effect on council tax levels and helps maintain them in the lower quartile.
  
- **Sustainability / Green issues**
  - To enhance energy efficiency and recycling.
  - To reduce car usage in the City through an updated Travel Plan.
  - To conserve and enhance the house and gardens for public use.
  
- **Economic Vitality**
  - To continue to support the vitality of local businesses through maintaining a centralised presence in the City Centre.
  - To enable the utilisation of surplus assets in the City for alternative employment and residential uses.

#### 1.4. Stakeholders

The following stakeholders have been identified:

	<b>Contribution to Project</b>	<b>Conflicts</b>	<b>Action to mitigate</b>
• Customers of the council	Will receive improved services as a result of the project	N/A	
• Council Tax Payers	May inaccurately perceive the project to increase council tax and therefore produce negative publicity	Potential conflict with council	Strong PR campaign to outline accurate position
• Partners e.g. Wiltshire County Council	A statutory consultee for the planning application and a new resident of the building for the Registrars service	Potential conflict between two roles (not realised as statutory	Close partnership working

	Contribution to Project	Conflicts	Action to mitigate
		consultee gave support to the planning application	
<ul style="list-style-type: none"> <li>Local residents</li> </ul>	<p>Details of the scheme were delivered to 842 homes. 480 people objected to the planning application (250 of which were on a "standard", copied letter)</p> <p><b>Protestors occupied the site.</b></p>	Conflict with the council	<p>Extensive consultation</p> <p><b>Construction Working Group</b></p>
<ul style="list-style-type: none"> <li>Local businesses</li> </ul>	The closest neighbour - the Arts Centre support the project	N/A	
<ul style="list-style-type: none"> <li>Elected representatives</li> </ul>	<p><b>Prior to the election in May 2007</b>, Cabinet have led the project through the "Improving Customer Services" Board. Although all groups have been included not all have chosen to attend. The project has been reviewed at the Scrutiny Committee</p>	Conflict between different political groups over the planning application, cost of the project and location of the project.	
<ul style="list-style-type: none"> <li>Staff</li> </ul>	<p>New occupiers of the building</p> <p>Reduction in staff employed through consolidation of 4 receptions onto 1 site and rationalisation of administrative support within 1 building rather than in 7 buildings</p>	<p>Potential conflict between staff not wishing to move or not wanting to work in open plan accommodation</p> <p>Potential poor relationships between management and staff</p>	<p>A staff focus group, with representatives of all units has been set up to encourage participation and communication</p> <p>Early dialogue with UNISON. Aim to reduce posts through natural wastage and measures to protect existing permanent staff (inc. use of short/ fixed term contracts for some new staff)</p>
<ul style="list-style-type: none"> <li>Unions</li> </ul>	Representatives of the new users of the building	Potential concerns re new ways of working	UNISON is represented on the "Improving Customer Services" Board



	Contribution to Project	Conflicts	Action to mitigate
<ul style="list-style-type: none"> <li>Central Government</li> </ul>	Determination of listed building application	<b>None -approved</b>	<b>N/A</b>
<ul style="list-style-type: none"> <li>English Heritage</li> </ul>	A statutory consultee	No conflict as supportive of planning application	N/A

#### 1.5. Existing arrangements

The council currently operates from **ten** buildings within the City. A summary of the technical constraints, service delivery arrangements and major contracts is summarised below:

Building	Technical Constraints	Service Delivery Arrangements	Major Contracts	Current Occupiers	In house Provision
Bourne Hill	<ul style="list-style-type: none"> <li>Listed building Grade II*</li> <li>Not DDA compliant</li> <li>Not designed as an office</li> <li>In conservation area</li> </ul>	<ul style="list-style-type: none"> <li>Public reception</li> <li>Car parking</li> </ul>	<ul style="list-style-type: none"> <li>Repairs &amp; maintenance</li> <li>Heating &amp; cooling</li> <li>Security</li> <li>Cleaning</li> <li>Testing: <ul style="list-style-type: none"> <li>- electrical</li> <li>- utility</li> <li>- asbestos</li> <li>- Legionella</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li><b>Now vacant</b></li> </ul>	<ul style="list-style-type: none"> <li>Strategic property advice</li> <li>ICT</li> <li>Telephony</li> <li>Legal advice</li> <li>Procurement of repairs and maintenance</li> <li>Procurement of furniture and equipment</li> <li>Conservation advice</li> <li>Grounds maintenance</li> </ul>
24/26 Endless Street	<ul style="list-style-type: none"> <li>Listed building Grade II</li> <li>Not DDA compliant</li> <li>Not designed as an office</li> <li>In conservation area</li> </ul>	<ul style="list-style-type: none"> <li>Public reception</li> <li>Parking at rear</li> </ul>	<ul style="list-style-type: none"> <li>As above</li> </ul>	<ul style="list-style-type: none"> <li>Housing Mgmt</li> <li>Strategic Housing</li> <li>Parking Services</li> <li><b>ICT services</b></li> </ul>	<ul style="list-style-type: none"> <li>As above</li> </ul>
16 Endless Street	<ul style="list-style-type: none"> <li>Listed building Grade II</li> <li>Not DDA compliant</li> <li>Not designed as an office</li> <li>In conservation area</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>As above</li> </ul>	<ul style="list-style-type: none"> <li>Community Initiatives</li> </ul>	<ul style="list-style-type: none"> <li>As above</li> </ul>

<b>Building</b>	<b>Technical Constraints</b>	<b>Service Delivery Arrangements</b>	<b>Major Contracts</b>	<b>Current Occupiers</b>	<b>In house Provision</b>
37 Endless Street	<ul style="list-style-type: none"> <li>• Ground floor meeting room DDA compliant</li> <li>• 1<sup>st</sup> &amp; 2<sup>nd</sup> floor offices not DDA compliant</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>	<ul style="list-style-type: none"> <li>• As above</li> </ul>	<ul style="list-style-type: none"> <li>• Joint Transportation Team</li> <li>• <b>Internal Audit</b></li> </ul>	<ul style="list-style-type: none"> <li>• As above</li> </ul>
Penny-farthing House	<ul style="list-style-type: none"> <li>• Purpose built office building</li> <li>• Not DDA compliant</li> </ul>	<ul style="list-style-type: none"> <li>• Public reception</li> <li>• Limited parking</li> </ul>	<ul style="list-style-type: none"> <li>• As above</li> </ul>	<ul style="list-style-type: none"> <li>• Customer Services</li> <li>• Revenue &amp; Benefits</li> </ul>	<ul style="list-style-type: none"> <li>• As above</li> </ul>
61 Wyndham Road	<ul style="list-style-type: none"> <li>• Purpose built office building</li> <li>• Not DDA compliant</li> </ul>	<ul style="list-style-type: none"> <li>• Public reception</li> <li>• Car parking</li> </ul>	<ul style="list-style-type: none"> <li>• As above</li> </ul>	<ul style="list-style-type: none"> <li>• Development Control</li> <li>• Forward Planning &amp; Transportation</li> <li>• <b>Land Charges</b></li> </ul>	<ul style="list-style-type: none"> <li>• As above</li> </ul>
3 Rolleston Street	<ul style="list-style-type: none"> <li>• Property leased</li> <li>• Lease expires 2009</li> <li>• Not DDA compliant</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	<ul style="list-style-type: none"> <li>• Marketing, Economic Development &amp; Tourism</li> <li>• City Centre Management</li> <li>• <b>Unison</b></li> </ul>	<ul style="list-style-type: none"> <li>• As above</li> </ul>
95 Crane Street	<ul style="list-style-type: none"> <li>• Property leased</li> <li>• Lease expires 2009</li> <li>• Not DDA compliant</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	<ul style="list-style-type: none"> <li>• Parking Services</li> </ul>	<ul style="list-style-type: none"> <li>• As above</li> </ul>
<b>Depot Churchfields</b>	<ul style="list-style-type: none"> <li>• <b>Refurbished offices</b></li> <li>• <b>DDA compliant</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>None</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>As for all council owned and occupied premises</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Environmental Services</b></li> <li>• <b>POD</b></li> <li>• <b>Print Unit</b></li> <li>• <b>ICT disaster recovery room</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>As above</b></li> </ul>
47 Endless Street	<ul style="list-style-type: none"> <li>• Property leased</li> <li>• Lease can be terminated in 2009</li> <li>• Not DDA compliant</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	<ul style="list-style-type: none"> <li>• Management Team</li> <li>• Democratic Services</li> <li>• Financial Services</li> </ul>	<ul style="list-style-type: none"> <li>• As above</li> </ul>
65 Milford Street	<ul style="list-style-type: none"> <li>• Converted retail premises</li> <li>• Not designed as an office</li> <li>• Not DDA compliant</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>	<ul style="list-style-type: none"> <li>• As for all council owned and occupied premises</li> </ul>	<ul style="list-style-type: none"> <li>• Legal and Property</li> </ul>	<ul style="list-style-type: none"> <li>• As above</li> </ul>

Building	Technical Constraints	Service Delivery Arrangements	Major Contracts	Current Occupiers	In house Provision
	<ul style="list-style-type: none"> <li>In conservation area</li> </ul>				

As part of the Decanting Strategy, 1 additional building (47 Endless Street ) was rented for 2 years and Council owned premises at 65 Milford Street became vacant and are being used to enable staff to be accommodated during the demolition and construction phase. In addition accommodation at Churchfields Depot was refurbished to enable decanting and permanent relocation of the Print Unit.

1.6. Scope: minimum, desirable and optional

The council commissioned a feasibility study in 2002 to scope the potential of the project. This is summarised below:

	Option	Key Features
1.	"Do nothing"	The status quo
2.	City Centre Customer Contact Centre with separate back office	Identify a front of house (for all customer enquiries and separate back office for all other staff). 2 sub options were examined
3.	Redevelopment of Bourne Hill	Refurbish/extend to enable front of house and back office to be located together
4.	A new centralised purpose built facility	New build for back office staff. 11 sub options were long listed for examination

1.7. Constraints

The following summarises the main constraints of the project:

Constraint	Key Features to mitigate against constraints
<ul style="list-style-type: none"> <li>Affordability</li> </ul>	<ul style="list-style-type: none"> <li>Sale of surplus buildings</li> <li>Reduced running costs</li> <li>Utilising savings</li> </ul>
<ul style="list-style-type: none"> <li>Deliverability</li> </ul>	<ul style="list-style-type: none"> <li>Project management</li> </ul>
<ul style="list-style-type: none"> <li>Stakeholder commitment</li> </ul>	<ul style="list-style-type: none"> <li>Political will</li> <li>Public views</li> <li>Statutory consultees</li> </ul>
<ul style="list-style-type: none"> <li>Planning policies</li> </ul>	<ul style="list-style-type: none"> <li>National and local planning guidance</li> </ul>
<ul style="list-style-type: none"> <li>Internal cultural change to support new ways of working</li> </ul>	<ul style="list-style-type: none"> <li>Managerial and staff support</li> </ul>

1.8. Dependencies

The successful delivery of this project is dependent on the following external and internal projects/factors:

External Dependencies	Responsible Organisations
<ul style="list-style-type: none"> <li>Statutory consents (all now achieved)</li> </ul>	<ul style="list-style-type: none"> <li>English Heritage</li> <li>GOSW</li> <li>Local Planning Authority (planning conditions and</li> </ul>

	building regulations) <ul style="list-style-type: none"> <li>• Fire Authority</li> </ul>
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Internal Dependencies	Responsible Individuals
<ul style="list-style-type: none"> <li>• Sale of surplus assets</li> </ul>	<ul style="list-style-type: none"> <li>• Cabinet approval of Asset Disposal Strategy (01/02/06) plus revision at Full Council (11/12/06). Implementation – Head of Legal and Property Services / Head of Financial Services</li> </ul>
<ul style="list-style-type: none"> <li>• Integration of themes from "Improving Customer Services" Programme (see 5.2. for project roles)</li> </ul>	<ul style="list-style-type: none"> <li>• Portfolio holder (Resources) and Project Sponsor (Director)</li> </ul>

### 1.9. Strategic benefits

The vision for Office Centralisation is:

“A building that expresses our ambition and values – in doing that it will be a building our customers are proud of, will want to visit and will meet their personal business needs.

It will show good guardianship of our heritage. The house and grounds will be enhanced and preserved and the extension will convey optimism for the future through new technologies and materials”.

It will reflect our core values:

- Providing Excellent Service – our new Customer Contact Centre will offer a minimum of 80% resolution of customer enquiries on first point of contact, be it in person, by phone, e mail or letter.
- Supporting the Disadvantaged – the Customer Contact Centre will be designed to meet the needs of our customers who prefer to contact the council in person where they can get personal support. To assist those living in rural areas we will complement the Customer Contact Centre in the City with “One Stop Shops”.
- Promoting a Thriving Economy – we are committed to continuing to support City businesses through establishing a single base in Salisbury. Our Customer Contact Centre will offer a co-ordinated response to business enquiries and we will consider how we can source materials locally for the building.
- Environmentally Conscientious – our new building will incorporate energy and resource efficiency measures and we will restore significant features of the house and gardens to permit public access.
- Fair and Equitable – our Customer Contact Centre will be designed to meet the needs of those with mobility difficulties and customers with children. Translation, Braille, audio and signing services will be available for those whose first language is not English and people with vision and hearing impairments.
- Communicating with the Public – our Customer Contact Centre will enable us to improve communication with the public through extended opening hours and a choice of ways of contacting us.

- A Progressive Employer – our offices will provide staff and councillors with cost effective, efficient, safe, healthy and comfortable accommodation.
- An Open, Learning Council and a Willing Partner – we are incorporating “best practice” from other organisations in the design of our new building. We have aspirations for the site to be a “civic campus” so that customers can access seamless public services. Wiltshire County Council is committed to the Registry Office and Trading Standards staff joining us.

#### 1.10. Strategic risks

A comprehensive Risk Register is maintained for the project (see appendix 1).

The remaining high level risks as of May 2007 are:

Ambition / Theme	Potential Risk	Impact / Likelihood	Risk Owner	Action to mitigate risk	Residual Risk	Updated
Political	Impact of change of administration following May 2007 elections	H/H	Cabinet/ Council	Acceptance of revised Business case – May 2007  Approval to commence – demolition and construction	Individual Councillors/ Parties opposing	May 2007
Political	Unitary authorities	H/H	Council	Awaiting Central Gov decision	Redesign costs to adapt to revised needs	May 2007
Reputational	The Council being perceived (inaccurately) to provide offices at the expense of the Council Tax Payer	H/M	Cabinet/ Council	PR campaign following acceptance of revised business case to inform public of invest to save principle	Public understanding of capital v revenue	May 2006
Financial	Extent of works to house, particularly fabric repairs	H/M	Design Team/ Steering Group	Intrusive fabric condition surveys / retain contingency	Condition of underlying structure	May 2006
Financial	Achievement of 75% occupancy levels	L/L	EMT	Maintain homeworking campaign	Additional work to create additional desk space	May 2007
Financial	Disruption to Service caused by I.T. disruption	H/M	Design team/ Service Units	Protection for the Server Room to be designed. Units to produce business continuity plans	Large Scale disaster	May 2006

#### 1.11. Critical success factors

The project has the following critical success factors:

No.	Success Factor	Performance Measure	Current Performance	Target Performance
1.	Project achieved within budget	<ul style="list-style-type: none"> <li>Financial expenditure against budget</li> </ul>	<ul style="list-style-type: none"> <li>Approved net cost £10.7m</li> </ul>	<ul style="list-style-type: none"> <li>£10.7m</li> </ul>
2.	Project achieved on time	<ul style="list-style-type: none"> <li>Date of opening new offices to the public against stated date in the project plan</li> </ul>	<ul style="list-style-type: none"> <li>Project plan estimates opening 2nd quarter 2009</li> </ul>	<ul style="list-style-type: none"> <li>2nd quarter 2009</li> </ul>
3.	Project provides sufficient capacity	<ul style="list-style-type: none"> <li>100% of internal customers requirements achieved on</li> </ul>	–	<ul style="list-style-type: none"> <li>100%</li> </ul>

No.	Success Factor	Performance Measure	Current Performance	Target Performance
	for SDC needs	opening of new offices		
4.	Favourable public reaction	<ul style="list-style-type: none"> <li>Survey of customers one year after opening</li> <li>Positive press coverage</li> <li>DDA compliant in new building</li> </ul>	<ul style="list-style-type: none"> <li>–</li> <li>40% (inc. letter coverage) 70% (not inc. letter coverage)</li> <li>–</li> </ul>	<ul style="list-style-type: none"> <li>65%</li> <li>50%</li> <li>100%</li> </ul>
5.	Favourable reaction from staff including improved communication	<ul style="list-style-type: none"> <li>Survey of staff one year after opening</li> </ul>	<ul style="list-style-type: none"> <li>–</li> </ul>	<ul style="list-style-type: none"> <li>90% after 1 year</li> </ul>
6.	Improved recruitment and retention	<ul style="list-style-type: none"> <li>5% increase in numbers of returned application forms compared to numbers of packs sent out</li> <li>1% decrease in numbers of staff leaving</li> </ul>	<ul style="list-style-type: none"> <li><b>45% Apr 06 – Mar 07</b></li> <li>18.47% (Apr 06 to Mar 07)</li> </ul>	<ul style="list-style-type: none"> <li>54% although it should be noted that 49% is already a high return rate</li> <li>16%</li> </ul>
7.	Increased customer satisfaction	<ul style="list-style-type: none"> <li>Increase in relative MORI customer satisfaction rating in 2009 by 2%</li> <li>80% enquiries dealt with at first point of enquiry within the Customer Contact Centre one year after opening</li> <li>10% increase in usage of bookable public rooms one year after opening new offices</li> <li>Phone <ul style="list-style-type: none"> <li>% resolution at FPC</li> </ul> </li> <li>E-mail <ul style="list-style-type: none"> <li>% resolution at FPC</li> </ul> </li> <li>Face to Face <ul style="list-style-type: none"> <li>% resolution at FPC</li> </ul> </li> <li>Letter <ul style="list-style-type: none"> <li>% resolution at FPC</li> </ul> </li> <li>Complaints <ul style="list-style-type: none"> <li>Comments/feedback by service type</li> <li>Formal complaints on grounds of service failure (by service type)</li> <li>Formal complaints on grounds of poor information (by service type)</li> <li>Formal complaints on grounds of</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li><b>An increase of 4% to 67% since the survey was last carried out in 2003/04</b></li> <li><b>Baseline to be set</b></li> <li>--</li> <li>62% (based on partial service provision)</li> <li>8% (based on partial service provision)</li> <li>92% (based on partial service provision)</li> <li>Not yet undertaken</li> <li>Baseline to be set</li> </ul>	<ul style="list-style-type: none"> <li>To be added once 2006 rating is known (late May/early June)</li> <li>80%</li> <li>Target to be set once initial usage is known</li> <li>80%</li> <li>80%</li> <li>80%</li> <li>80%</li> <li>To be set following baseline</li> </ul>

No.	Success Factor	Performance Measure	Current Performance	Target Performance
		behaviour/attitude (by service type) - % of all customer feedback that reaches formal complaint stage (by service type) - Complaints to Ombudsman - Justified complaints to Ombudsman - Amount of compensation paid (by service type) • Customer Satisfaction Surveys • Website - Availability of site - Unique visits - Page views - Page views by service type	<ul style="list-style-type: none"> <li>• 150 (based on available data)</li> <li>• 99.67%</li> <li>• 261,000</li> <li>• 6,955,000</li> <li>• Currently base lining</li> </ul>	<ul style="list-style-type: none"> <li>• 4 per annum</li> <li>• 99%</li> <li>• 315,000</li> <li>• 8,415,000</li> <li>• To be completed during the next revision of the Business Case</li> </ul>
8.	Reduced running and staffing costs	<ul style="list-style-type: none"> <li>• £750k savings achieved through reduced repairs and maintenance, staffing and energy costs</li> </ul>	–	<ul style="list-style-type: none"> <li>• Reduced costs: Staffing - £400k Energy - £63k Other Premises related £262k</li> <li>• New Income: Rent from WCC - £25k</li> </ul>
9.	Reduced cars on the Bourne Hill campus	<ul style="list-style-type: none"> <li>• Car parking spaces reduced from 75 to 50 spaces on opening of the new offices</li> </ul>	<ul style="list-style-type: none"> <li>• Green Travel Plan agreed</li> <li>• Pre Green Travel Plan – no. of staff parking on campus 109</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce reliance on the car and traffic movements</li> <li>• Reduction to 50 parking spaces</li> </ul>
10.	Positive relationship maintained with neighbours	<ul style="list-style-type: none"> <li>• Enhanced “civic campus” through opening up routes between Arts Centre and Bourne Hill and improved landscaping</li> <li>• Consultation/ communication undertaken at all key stages with Residents Association and other interested groups</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings arranged at the appropriate times during the planning phase – 8 meetings</li> <li>• <b>Construction Working Group (3 meetings to date)</b></li> </ul>	<ul style="list-style-type: none"> <li>• Archway re-opened and improved landscaping introduced</li> <li>• Consultation meetings throughout phases of project.</li> </ul>
11.	Building achieves national recognition	<ul style="list-style-type: none"> <li>• Applications made for public office awards locally, regionally and nationally</li> </ul>		

No.	Success Factor	Performance Measure	Current Performance	Target Performance
12.	Successful regeneration of surplus council buildings	<ul style="list-style-type: none"> <li>• Comprehensive development brief produced</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Development brief agreed for former swimming pool site.</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Development briefs agreed for all sites recommended by planning.</b></li> <li>• No. of new residential and/or commercial units created</li> </ul>
13.	Reduced absenteeism and increased productivity	<ul style="list-style-type: none"> <li>• Average sickness days lost per employee per year reduced by one day one year after opening new building</li> <li>• % productivity gains across the council to be identified and agreed, following business process re-engineering for front/back office and centralised administration support</li> </ul>	<ul style="list-style-type: none"> <li>• To be inserted in 4<sup>th</sup> quarter 2008</li> <li>• <b>3% in line with projected CSR 07</b></li> </ul>	<ul style="list-style-type: none"> <li>• Target to be based on 1 day less per employee by 4<sup>th</sup> quarter 2009</li> <li>• £100k</li> </ul>



## 2. Options Appraisal

### 2.1. Long and short list of options

The feasibility study undertaken in 2002 and the subsequent sequential test commissioned in 2003 reviewed a long list of options. **Following the Motion to Council on 21 May 2007 the list has been revised.** The following summarises the full list of options:

Option	SWOT	Contribution to Key Objectives	Contribution to Critical Success Factors	Results of Planning/ Sequential Test	Financial	Environmental	Deliverability
1. Cancel project.	<p><u>Strengths</u></p> <ul style="list-style-type: none"> <li>Supported by local residents</li> </ul> <p><u>Weaknesses</u></p> <ul style="list-style-type: none"> <li>Most costly</li> <li>Will effectively bankrupt council</li> <li>Staff left in decanted properties with costly rent and repairs and maintenance outstanding</li> <li>No efficiencies achievable</li> <li>Will not achieve project objectives</li> <li>Will not conserve Council House for the future</li> <li>Will not meet DDA</li> <li>External inspections of council will be critical as no plan for tackling problems</li> </ul>	None	None	N/A	The cost of cancelling the project has been assessed at between £2m and £4 in addition to sunk costs of some £4m. With no asset to justify continued capitalisation of costs the Council would have to apply to DCLG for a determination to charge to capital or the Audit Commission to defer charges to revenue. In	<p>No new environmentally friendly features.</p> <p>Failure to achieve BREEAM excellent rating.</p>	The Council can end the contract but will be liable to pay compensation and will have some ongoing planning requirements to fulfil

Option	SWOT	Contribution to Key Objectives	Contribution to Critical Success Factors	Results of Planning/ Sequential Test	Financial	Environmental	Deliverability
	<ul style="list-style-type: none"> <li>Customer service continues to be dissipated</li> </ul> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>None</li> </ul> <p><b>Threats</b></p> <ul style="list-style-type: none"> <li>Compensation payable for contract termination</li> <li>Curtails opportunities for re-categorisation for CPA, Uses of Resources, Audit Commission inspections</li> <li>Opens up opportunities to run services from Trowbridge in the event of a successful unitary county bid.</li> </ul>				revenue. In addition, savings in the business case would be foregone		
2. City Centre Customer Contact Centre (2 options analysed) to support options for back office in 4	<p><b><u>Pennyfarthing House</u></b></p> <p><b><u>Weaknesses</u></b></p> <ul style="list-style-type: none"> <li>Too small</li> </ul> <p><b><u>Guildhall</u></b></p> <p><b><u>Weaknesses</u></b></p> <ul style="list-style-type: none"> <li>Listed building</li> </ul>	<p>Part meets</p> <ul style="list-style-type: none"> <li>Improving Customer Service / Building Organisational Capacity / Economic Vitality</li> </ul> <p>As above</p>	<p>Does not meet these</p> <p>As above</p>	<p>N/A</p> <p>N/A</p>	<p>Foregoing of potential Capital receipt to support overall scheme.</p> <p>Existing lease with</p>	<p>Environmentally friendly features would only be achieved at an additional cost.</p>	<p>Pennyfarthing House currently too small for full customer contact centre and would be expensive to remodel.</p> <p>Not deliverable</p>

Option	SWOT	Contribution to Key Objectives	Contribution to Critical Success Factors	Results of Planning/ Sequential Test	Financial	Environmental	Deliverability
	<p>restricted potential for internal changes</p> <ul style="list-style-type: none"> <li>• Not DDA compliant</li> <li>• Expensive to modify</li> <li>• No finalised date for magistrates to move out</li> <li>• Halts enhanced conference/-hiring opportunities.</li> <li>• <b>Potential impact on Vision project</b></li> </ul>				<p><b>magistrates and consequent loss of income. Expensive refit required.</b></p>		
<p>3. Bourne Hill (As Is)</p>	<p><u>Strengths</u></p> <ul style="list-style-type: none"> <li>• <b>All permissions achieved</b></li> <li>• <b>Contracts let</b></li> <li>• <b>Least costly</b></li> <li>• <b>Programme in place</b></li> <li>• <b>In council ownership</b></li> <li>• <b>Well-known building to the public</b></li> <li>• <b>Close to City Centre</b></li> <li>• <b>Surplus buildings in City Centre can be sold to support financing the project</b></li> <li>• <b>Maintains economic vitality of City Centre</b></li> <li>• <b>Supported by staff</b></li> </ul> <p><u>Weaknesses</u></p> <ul style="list-style-type: none"> <li>• <b>Not supported by local residents</b></li> </ul> <p><u>Opportunities</u></p>	<p>Fully meets</p>	<p>Fully meets</p>	<p>Meets sequential test</p>	<p><b>The business case has independently been appraised by the Audit Commission and the 4 P's. The financial model using the prudential system allows for the overall capital investment to be paid for using revenue savings arising from the project.</b></p>	<p><b>BREEAM excellent rating.</b></p> <p><b>Sustainability features eg:</b>  <b>Natural ventilation</b>  <b>High performance glazing to reduce solar gain</b></p> <p><b>48 semi mature trees to be planted.</b></p> <p><b>Enhanced wildlife habitats.</b></p>	<p><b>Highly deliverable. Contracts let and work in progress</b>  <b>Delays will occur due to review of project.</b></p>

Option	SWOT	Contribution to Key Objectives	Contribution to Critical Success Factors	Results of Planning/ Sequential Test	Financial	Environmental	Deliverability
	<ul style="list-style-type: none"> <li>• Refurbishes listed building for the future</li> <li>• Potential to build further accommodation on swimming pool site if a unitary council is set up in the future</li> <li>• Use of College Street car park would be in accordance with Car Park Strategy</li> </ul> <p><u>Threats</u></p> <ul style="list-style-type: none"> <li>• Further illegal action by protestors</li> <li>• Village green application</li> </ul>						
<p>4. Bourne Hill -reduced size plus Churchfields site, Pennyfarthing House and Wyndham Road for more than depot based staff</p>	<p><u>Strengths</u></p> <ul style="list-style-type: none"> <li>• In council ownership</li> <li>• Well known building to the public</li> <li>• Surplus buildings can be sold towards financing the project</li> <li>• Would allow retention of walled garden.</li> </ul> <p><u>Weaknesses</u></p> <ul style="list-style-type: none"> <li>• Poor VFM</li> <li>• Revised planning/listed building applications needed</li> </ul>				<p>Fixed costs in existing scheme make any reduction a loss of economies of scale. The saving by reduced construction is more than wiped out by contractor claims in respect of delays.</p>	<p>As above but on smaller scale for Bourne Hill site. Additional energy costs etc for other 3 sites.</p>	<p>Would exceed costs for “as is” option.</p>

Option	SWOT	Contribution to Key Objectives	Contribution to Critical Success Factors	Results of Planning/ Sequential Test	Financial	Environmental	Deliverability
	<p>needed</p> <ul style="list-style-type: none"> <li>• Costs would increase as a result of delays to the programme</li> <li>• Additional costs to redesign building</li> <li>• Staff decanted for a longer period of time</li> <li>• Keeps staff on 4 disparate sites.</li> <li>• Increased rent for temporary buildings</li> <li>• Reduced residual value</li> <li>• Reduced capital receipts from sale of surplus buildings</li> <li>• Delay in delivering scheme and benefits realisation</li> </ul> <p><u>Opportunities</u></p> <ul style="list-style-type: none"> <li>• Refurbishes listed building for the future.</li> <li>• Use of College Street car park would be in accordance with Car Park strategy.</li> <li>• Does not impede Vision project in the short term.</li> </ul> <p><u>Threats</u></p>				<p>Further design and planning costs would also be incurred.</p> <p>Market risk reintroduced.</p> <p>Diminishes savings from total centralisation.</p> <p>Capital receipts used to finance the project reduced</p> <p>Increased energy and property costs as a result of fragmented estate</p>		

Option	SWOT	Contribution to Key Objectives	Contribution to Critical Success Factors	Results of Planning/ Sequential Test	Financial	Environmental	Deliverability
	<ul style="list-style-type: none"> <li>• May not allow enough capital receipts to be achieved to fund project costs.</li> <li>• Statutory consultees may not support the changes</li> <li>• Compensation payable for contract termination</li> </ul>						
5. New centralised purpose built facility							
a) Ashley Road (opposite fire station)	<p><u>Strengths</u></p> <ul style="list-style-type: none"> <li>• Surplus buildings can be sold to support financing the project</li> </ul> <p><u>Weaknesses</u></p> <ul style="list-style-type: none"> <li>• Failed to meet planning guidance/ deliverability</li> <li>• Current use as public open space</li> <li>• Impact on Avon Valley - SSSI</li> </ul> <p><u>Opportunities</u></p> <ul style="list-style-type: none"> <li>• None</li> </ul> <p><u>Threats</u></p> <ul style="list-style-type: none"> <li>• Adverse public reaction</li> </ul>	<p>Part meets</p> <ul style="list-style-type: none"> <li>• Improving Customer Service</li> </ul> <p>Meets</p> <ul style="list-style-type: none"> <li>• Building Capacity / Meeting financial Challenge / Sustainability / Economic Vitality</li> </ul>	Fully meets	Does not meet sequential test	<p><b>Sunk Costs and cancellation costs apply</b></p> <p><b>Market Risk reopened.</b></p>	<p><b>Adverse impact on public open space and Avon Valley SSSI</b></p>	<p><b>Although Council owned, deliverability highly unlikely due to failure to meet sequential test and address other planning and environmental concerns</b></p>
b) The Butts	<u>Strengths</u>	As above	As above	Does not	<b>Sunk Costs</b>	<b>Contaminated</b>	<b>As above</b>

Option	SWOT	Contribution to Key Objectives	Contribution to Critical Success Factors	Results of Planning/ Sequential Test	Financial	Environmental	Deliverability
(opposite Five Rivers leisure centre)	<ul style="list-style-type: none"> <li>Surplus buildings can be sold to support financing the project</li> <li>In council ownership</li> </ul> <u>Weaknesses</u> <ul style="list-style-type: none"> <li>Failed to meet planning guidance/ deliverability</li> <li>Poor access via housing estate.</li> <li>Former tip foundations likely to be costly</li> <li>Loss of playing pitches, protected by Policy R5 of Local Plan</li> <li>Impact on the Avon Valley - SSSI</li> </ul> <u>Opportunities</u> <ul style="list-style-type: none"> <li>None</li> </ul> <u>Threats</u> <ul style="list-style-type: none"> <li>Adverse public reaction</li> </ul>			meet sequential test.	<p><b>and cancellation costs apply</b></p> <p><b>Market Risk reopened</b></p>	<p><b>land, high remediation and infrastructure costs, loss of playing pitches, adverse impact on Avon Valley SSSI</b></p>	
c) The Beehive (adjacent to the Park and Ride Site)	<u>Strengths</u> <ul style="list-style-type: none"> <li>Surplus buildings can be sold to support financing the project</li> </ul> <u>Weaknesses</u> <ul style="list-style-type: none"> <li>Owned by WCC</li> <li>Need to relocate existing users</li> <li>Access difficult</li> <li>Reverter clause exists</li> </ul>	As above	As above	Does not meet sequential test	<p><b>Sunk Costs and cancellation costs apply</b></p> <p><b>Market Risk reopened</b></p>		<p><b>Current owners in negotiation to sell part of land to the developers of the adjoining site at Old Sarum.</b></p> <p><b>No longer available</b></p>

Option	SWOT	Contribution to Key Objectives	Contribution to Critical Success Factors	Results of Planning/ Sequential Test	Financial	Environmental	Deliverability
	<p>to Capitec, NHS</p> <p><u>Opportunities</u></p> <ul style="list-style-type: none"> <li>• None</li> </ul> <p><u>Threats</u></p> <ul style="list-style-type: none"> <li>• Adverse reaction from users, supporters and public</li> </ul>						
d) Church-fields Depot	<p><u>Strengths</u></p> <ul style="list-style-type: none"> <li>• Zoned for employment</li> <li>• In council ownership</li> <li>• Brownfield site</li> <li>• Surplus buildings can be sold to support financing the project</li> </ul> <p><u>Weaknesses</u></p> <ul style="list-style-type: none"> <li>• Impedes medium and long term targets in the vision project</li> <li>• Out of town centre – transport problems</li> <li>• Poor access</li> <li>• Road infrastructure costs very high</li> <li>• Poor customer and staff perception</li> <li>• Relocation of existing tenants</li> </ul> <p><u>Opportunities</u></p> <ul style="list-style-type: none"> <li>• Could stimulate redevelopment</li> </ul> <p><u>Threats</u></p> <ul style="list-style-type: none"> <li>• Potential contamination</li> </ul>	As above	As above	Does not meet sequential test	<p><b>Sunk Costs and cancellation costs apply</b></p> <p><b>Market Risk reopened</b></p>		<p><b>Although Council owned, could not be delivered until existing tenants relocated and alternative location identified and secured for the Councils Depot based activities. Would require “planning change of use”.</b></p>



Option	SWOT	Contribution to Key Objectives	Contribution to Critical Success Factors	Results of Planning/ Sequential Test	Financial	Environmental	Deliverability
e) Jan-speed site	<p><u>Strengths</u></p> <ul style="list-style-type: none"> <li>Surplus buildings can be sold to support financing the project</li> </ul> <p><u>Weaknesses</u></p> <ul style="list-style-type: none"> <li>Current lease arrangements</li> <li>Would require training ground</li> <li>Out of City Centre</li> <li>Would require planning change of use</li> </ul> <p><u>Opportunities</u></p> <ul style="list-style-type: none"> <li>Company may be prepared to relocate but then loss of jobs</li> </ul> <p><u>Threats</u></p> <ul style="list-style-type: none"> <li>Company went into receivership and assets acquired by directors</li> </ul>	As above	As above	Does not meet sequential test	<p><b>Sunk Costs and cancellation costs apply</b></p> <p><b>Market Risk reopened</b></p>		<b>Although Council owned, site leased and no longer available</b>
f) Cattle-market	<p><u>Strengths</u></p> <ul style="list-style-type: none"> <li>Surplus buildings can be sold to support financing the project</li> </ul> <p><u>Opportunities</u></p> <ul style="list-style-type: none"> <li>None</li> </ul> <p><u>Weaknesses</u></p> <ul style="list-style-type: none"> <li>Currently lease arrangements</li> <li>Remote location and poor public transport</li> </ul>	<p>Part meets</p> <ul style="list-style-type: none"> <li>Improving customer service</li> </ul> <p>Meets</p> <ul style="list-style-type: none"> <li>Financial Challenge / Building Capacity</li> </ul> <p>Does not meet economic</p>	As above	Does not meet sequential test	<p><b>Sunk Costs and cancellation costs apply</b></p> <p><b>Market Risk reopened</b></p>		<b>As above</b>

Option	SWOT	Contribution to Key Objectives	Contribution to Critical Success Factors	Results of Planning/ Sequential Test	Financial	Environmental	Deliverability
	<u>Threats</u> <ul style="list-style-type: none"> <li>• None</li> </ul>	vitality / sustainability					
g) Town centre car parks	<u>Strengths</u> <ul style="list-style-type: none"> <li>• In council ownership</li> <li>• City Centre locations</li> <li>• Surplus buildings can be sold to support financing the project</li> </ul> <u>Weaknesses</u> <ul style="list-style-type: none"> <li>• Public perception of reduced car parking in City Centre</li> <li>• Central car park in 100 year flood event and Environment Agency advised against use (PPG 25)</li> </ul> <u>Opportunities</u> <ul style="list-style-type: none"> <li>• Could stimulate development</li> </ul> <u>Threats</u> <ul style="list-style-type: none"> <li>• Adverse reaction from the business community</li> <li>• <b>Adverse impact on Vision project</b></li> <li>• <b>Potential financial risk potential reduced parking receipts.</b></li> </ul>	Fully meets	As above	Would meet sequential test	<b>Sunk Costs and cancellation costs apply</b>  <b>Market Risk reopened</b>  <b>Financial risks relating to environmental protection.</b>	<b>Central car park in 100 year flood event and Environment Agency advised against use (PPG 25)</b>	<b>Could be delivered subject to the comments in the SWOT analysis.</b>
h) The Maltings	<u>Strengths</u> <ul style="list-style-type: none"> <li>• In council ownership</li> <li>• Surplus buildings can</li> </ul>	As above	As above	Would meet sequential test	<b>Sunk Costs and cancellation</b>		<b>Council own the freehold of the site but it is subject to a long term lease – not</b>

Option	SWOT	Contribution to Key Objectives	Contribution to Critical Success Factors	Results of Planning/ Sequential Test	Financial	Environmental	Deliverability
	<p>be sold to support financing the project</p> <p><u>Weaknesses</u></p> <ul style="list-style-type: none"> <li>• Current use as store – current head lease and sub lease arrangements</li> <li>• Discussions taking place on refurbishment</li> <li>• Potential loss of shopping facility</li> </ul> <p><u>Opportunities</u></p> <ul style="list-style-type: none"> <li>• Could stimulate redevelopment</li> </ul> <p><u>Threats</u></p> <ul style="list-style-type: none"> <li>• Unwilling/uncooperative partners</li> <li>• <b>Adverse impact on Vision project</b></li> </ul>				<p>costs apply</p> <p><b>Market Risk reopened</b></p> <p><b>Financial risks relating to environmental protection.</b></p>		<p>deliverable</p>
i) Old Sarum	<p><u>Strengths</u></p> <ul style="list-style-type: none"> <li>• Adopted in Local Plan</li> <li>• Greenfield – purpose built</li> <li>• Cost effective</li> <li>• Near to park and ride</li> <li>• Flexible</li> </ul> <p><u>Weaknesses</u></p> <ul style="list-style-type: none"> <li>• Out of town</li> <li>• Difficult to implement Green Travel Plan</li> <li>• Unpopular with staff</li> <li>• Not in council ownership</li> </ul>	<p>Part meets</p> <ul style="list-style-type: none"> <li>• Improving Customer Service / sustainability</li> </ul> <p>Meets</p> <ul style="list-style-type: none"> <li>• Building Organisational Capacity / Meeting Financial Challenge</li> </ul> <p>Does not meet</p>	As above	Would not meet sequential test given City Centre option available	<p><b>Sunk Costs and cancellation costs apply</b></p> <p><b>Market Risk reopened</b></p> <p><b>Relocation costs would apply</b></p>		<p><b>Planning consent not yet granted although expected shortly. It is anticipated that construction of the residential areas will commence during the summer. As the site would fail the sequential test it is not considered deliverable.</b></p>

Option	SWOT	Contribution to Key Objectives	Contribution to Critical Success Factors	Results of Planning/ Sequential Test	Financial	Environmental	Deliverability
	<ul style="list-style-type: none"> <li>• Adverse impact on City Centre economy</li> <li>• Council House difficult to dispose of given condition</li> <li>• No investment in Grade II*</li> <li>• Deliverability may be problematic as resolution required for archaeological, infrastructure and highways issues subject to legal agreement</li> <li>• Remote for customers</li> </ul> <p><u>Opportunities</u></p> <ul style="list-style-type: none"> <li>• Could 'pump prime' the commercial development</li> </ul> <p><u>Threats</u></p> <ul style="list-style-type: none"> <li>• Poor public perception of council "selling family silver"</li> </ul>	<ul style="list-style-type: none"> <li>• Economic Vitality</li> <li>• Sustainability</li> </ul>					
j) Harnham Business Park	<p><u>Strengths</u></p> <ul style="list-style-type: none"> <li>• Brownfield site</li> <li>• Surplus buildings can be sold to support financing the project</li> </ul> <p><u>Weaknesses</u></p> <ul style="list-style-type: none"> <li>• Not in council ownership</li> <li>• Would need change of</li> </ul>	As above	As above	<b>Would not meet sequential test</b>	<p><b>Sunk Costs and cancellation costs apply</b></p> <p><b>Market Risk reopened</b></p>		<b>Not deliverable owing to the failure of the sequential test</b>

Option	SWOT	Contribution to Key Objectives	Contribution to Critical Success Factors	Results of Planning/ Sequential Test	Financial	Environmental	Deliverability
	<p>planning use</p> <ul style="list-style-type: none"> <li>Poor profile for council on industrial estate</li> <li>Adverse impact on economic vitality of City Centre</li> <li>Poor relationship to public transport</li> <li>Green travel plan would be costly</li> </ul> <p><u>Opportunities</u></p> <ul style="list-style-type: none"> <li>Could 'pump prime' the commercial development</li> </ul> <p><u>Threats</u></p> <ul style="list-style-type: none"> <li>Location 'industrial' in character</li> <li>Site crossed by HV electricity cables.</li> </ul>						
k) Amesbury Business Park	<p><u>Strengths</u></p> <ul style="list-style-type: none"> <li>Surplus buildings can be sold to support financing the project</li> </ul> <p><u>Weaknesses</u></p> <ul style="list-style-type: none"> <li>Fails sequential test</li> <li>Green travel plan would be costly</li> <li>Poor access from rest of district</li> <li>Adverse impact on economic vitality of City Centre</li> </ul> <p><u>Opportunities</u></p>	As above	As above	<b>Would not meet sequential test</b>	<p><b>Sunk Costs and cancellation costs apply</b></p> <p><b>Market Risk reopened</b></p> <p><b>Relocation costs would apply</b></p>		<b>As above</b>

Option	SWOT	Contribution to Key Objectives	Contribution to Critical Success Factors	Results of Planning/ Sequential Test	Financial	Environmental	Deliverability
	<ul style="list-style-type: none"> <li>• Could stimulate other development</li> </ul> <u>Threats</u> <ul style="list-style-type: none"> <li>• Location 'industrial' in character</li> </ul>						

Since the options were assessed in 2002/2003 the council's external valuers have regularly reviewed the market in order to update the list if additional suitable options have become available. Although further sites have been examined, they have not met our basic requirements.

## 2.2. Opportunities for innovation and/or collaboration with others

The council has sought to learn from others and introduce innovation. This has included visits by councillors, staff and consultants to Ashford Borough Council, South Hams District Council, Shrewsbury and Atcham Borough Council, West Devon Borough Council, Bracknell Forest Borough Council and the HQ of the National Trust. This has proved very helpful in developing the project.

The following innovations have been introduced:

- A customer contact centre
- New ways of working for staff (e.g. hot desking, remote working etc.)
- Financial sustainability e.g. whole life costs delivered by design and materials
- Green Travel Plan
- Public art
- Business Process Re-engineering of processes to enable efficiency gains

We are collaborating with Wiltshire County Council on providing them with accommodation for their Registrars and intend rationalising facilities management. We also invited the PCT and other voluntary organisations to join the project but this was not taken up.

## 2.3. Service delivery options

The council does not employ all the specialist skills for this project in house. It would not be economically advantageous to do so, since few major building projects are undertaken. Our approach has been to play to the respective skills of both in house (project leadership, cultural change, local government finance, **contract management** and property law) and external teams (architecture, conservation architecture, landscape architecture, archaeology, structural engineers, environmental services engineers, infrastructure engineers, construction and major project managers).

Delivery Option	Advantages	Disadvantages
In house	<ul style="list-style-type: none"> <li>• Knowledge of the organisation</li> <li>• On site</li> </ul>	<ul style="list-style-type: none"> <li>• Limited human resources</li> <li>• Insufficient breadth of skills</li> </ul>
External	<ul style="list-style-type: none"> <li>• Able to utilise expertise</li> </ul>	<ul style="list-style-type: none"> <li>• Impossible to rely exclusively on external as requirement for informed client</li> </ul>
Mixed	<ul style="list-style-type: none"> <li>• Strengths of both internal and external specialists used to full effect</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>

The selected mixed service delivery option comprises the following external advisors:

- |                               |                      |
|-------------------------------|----------------------|
| Arboricultural advice         | - CBA Trees          |
| Access Consultant             | - Vectra             |
| Archaeology Consultant        | - Wessex Archaeology |
| Architect and Lead Consultant | - Stanton Williams   |

Architectural Advisor	- Prof. Sir Colin Stansfield-Smith
Asbestos Surveys	- Breeze Environmental Consultants
CCTV Drainage Survey	- Draintec
CDM and Health & Safety Advisor	- PCM Safety Management Ltd
Conservation Architect	- Rodney Melville & Partners
Conservation Consultancy	- Ecosulis Ltd
Environmental Impact Assessment	- Landmark Environmental Consultants
Ground Conditions and Sub-structure advice	- Soiltechnics
Heritage Advisor	- Turnberry Consulting
Infrastructure/traffic/transportation/parking Consultants	- Mott Macdonald
Land & Measured Building Survey	- Land Development Services
Landscape Architect	- J & L Gibbons
Legal Review of EIA	- Eversheds
Model Maker	- Niamh Billing
Planning Advice	- Humberts Planning
Planning Consultant	- Turley Associates
Project Manager	- Nisbet LLP
Quantity Surveyor/Cost Consultants (up to completion of stage E)	- Davis Langdon
Quantity Surveyor/Cost Consultants (from stage F to completion)	- Gardiner & Theobald
Services Engineer	- Max Fordham LLP
Space Planning	- TTSP Architects
Structural Engineers	- Adams Kara Taylor
Traffic Surveys	- Count-On-Us
Underground Services Survey	- EDI Surveys
Valuation Advice	- Humberts

Whilst internal staff have the following lead roles:

Project Sponsor	- Policy Director
Project Manager	- Property Manager
Legal advice	- Head of Legal & Property Services
Financial advice	- Head of Financial Services
ICT implementation	- ICT Service Manager
HR advice and 'new ways of working' implementation	- Head of People & Organisational Devt
<b>Contract and site management</b>	<b>- Head of Housing Management</b>
<b>Clerk of Works</b>	<b>- Contracts Supervisor</b>

#### 2.4. Implementation options

	Advantages	Disadvantages
Incremental Phased Approach	<ul style="list-style-type: none"> <li>• Enables detailed planning and project management</li> <li>• Enables democratic decision making throughout course of project</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>
"Big Bang" Single Phase	<ul style="list-style-type: none"> <li>• Less disruptive to customers and staff</li> </ul>	<ul style="list-style-type: none"> <li>• Impossible to achieve with such a complex building project</li> </ul>



2.5. Detailed options / benefits appraisal:

The appraisal of the final two short-listed options was initially prepared for and agreed by Cabinet in July 2003.

The following chart includes the 2003 analysis and an update as at May 2006.

Following the election of the new administration in May 2007, the options appraisal has been extended to cover cancelling the project.

The appraisal uses a weighting range of 1 – 3 (where 1 = important, 2 = critical and 3 = highly critical) and a scoring range of 1 – 5 (where 1 = low and 5 = high).

Options appraisal – Bourne Hill

Objective	Weighting	Bourne Hill 2003	Score	Score x weighting	Bourne Hill 2006	Score	Score x weighting	Bourne Hill 2007	Score	Score x weighting
Improving customer service	3	City centre contact centre meeting 80% enquiries	5	15	As 2003	5	15	As 2003	5	15
		Centrally located for business contacts			As above			As above		
		Better integration with front office			As above			As above		
		Specialist back office staff on hand to deal with complex enquiries			As above			As above		
Meeting the financial	3	Capital expenditure	5	15	Capital expenditure	5	15	Capital expenditure	5	15

Objective	Weighting	Bourne Hill 2003	Score	Score x weighting	Bourne Hill 2006	Score	Score x weighting	Bourne Hill 2007	Score	Score x weighting
challenge		<p>between £7m and £8m</p> <p>Sale of assets between £3.8m and £4.3m</p> <p>Net expenditure between £2.6m and £4.1m</p> <p>Annual efficiency savings equivalent to £570k</p> <p>Return on investment between 14% and 22%</p> <p><u>Note:</u> all the above figures were generic projections</p>			<p>£13.702m</p> <p>Sale of assets £4m</p> <p>Net expenditure £9.702m</p> <p>Annual efficiency savings equivalent to £582k</p> <p>Return on investment 6.0%</p> <p><b>Net present value using whole life costing £3.965m</b></p>			<p>£15.363m</p> <p>Sale of assets £4.7m</p> <p>Net expenditure £10.663m</p> <p>Annual efficiency savings equivalent to £750k</p> <p>Return on investment 7.0%</p>		
Building organisational capacity	2	<p>Improved office accommodation standards</p> <p>All SDC facilities on one site</p> <p>Potential for</p>	3	6	<p>As 2003</p> <p>As 2003</p> <p>All partner</p>	4	8	<p><b>As 2003</b></p> <p><b>As 2003</b></p> <p><b>As 2006</b></p>	4	8

Objective	Weighting	Bourne Hill 2003	Score	Score x weighting	Bourne Hill 2006	Score	Score x weighting	Bourne Hill 2007	Score	Score x weighting
		limited additional public services to be accommodated			requests accommodated (so score increased)					
Sustainability / green issues	2	Town centre location	4	8	As 2003	4	8	As 2003	4	8
		Opportunities to improve sustainable operation of council offices			As above			As above		
		Significant opportunities to reduce travel to work car usage			As above			As above		
Economic vitality	1	Additional accommodation provided and available within the city centre	3	3	As 2003	3	3	As 2003	3	3
Staffing impact	2	Maintains site continuity	4	8	As 2003	4	8	As 2003	4	8
		Improved facilities and accommodation			As above			As above		
		Access to local amenities and facilities			As above			As above		
		Disruption during works			As above			As above		

Objective	Weighting	Bourne Hill 2003	Score	Score x weighting	Bourne Hill 2006	Score	Score x weighting	Bourne Hill 2007	Score	Score x weighting
Deliverability	1	Site wholly owned by SDC  Potential constraints around conservation	3	3	As 2003  No longer conservation constraints as English Heritage have approved the scheme	4	4	As 2003 Contracts now let  No longer conservation constraints as English Heritage has approved the scheme	5	5
<b>TOTALS</b>				<b>58</b>			<b>61</b>			<b>62</b>
Less risks	2	Significant financial risk associated with developing site in historic setting with conservation value  Financial risk associated with large scale capital project  Potential risk associated with different stakeholder groups insisting on their interests being met	4	8	As 2003  As above  As above	4	8	Risk currently eliminated  Reduced risk as decant complete and enabling contract underway  Significant financial risk in respect of delays caused by protests and	4	8

Objective	Weighting	Bourne Hill 2003	Score	Score x weighting	Bourne Hill 2006	Score	Score x weighting	Bourne Hill 2007	Score	Score x weighting
		Political risk associated with potential local opposition to development  Reputation risk associated with investment on administrative buildings			As above  As above			political uncertainty		
<b>OVERALL SCORE</b>				<b>50</b>			<b>53</b>			<b>54</b>

Options appraisal – Old Sarum and contact centre

Objective	Weighting	Old Sarum 2003	Score	Score x weighting	Old Sarum 2006	Score	Score x weighting
Improving customer service	3	City Centre contact centre meeting 80% of enquiries  Limited accessibility to business partners  Unable to provide direct contact centre support	3	9	As 2003  As above  As above	3	9
Meeting the financial challenge	3	Capital expenditure between £8.5m and £9m  Sale of assets between £5.4m and £5.9m  Net expenditure between £2.5m and £3.7m  Annual efficiency savings equivalent of between £490k and £510k  Return on investment between 13% and 20% <b>Note</b> all the above figures were generic projections	4	12	Capital expenditure £10.661m  Sale of assets £4.450m  Net expenditure £6.211m  Annual efficiency savings of £352k  Return on investment 5.7%  <b>Net present value using whole life costing £4.531m</b>	4	12
Building organisational capacity	2	Purpose built office accommodation  All SDC facilities on one site  Full space for WCC and PCT requirements in	4	8	As 2003  As above  No longer required by partners	3	6

Objective	Weighting	Old Sarum 2003	Score	Score x weighting	Old Sarum 2006	Score	Score x weighting
		full  Potential recruitment and retention difficulties in attracting staff to an out of town location			(so score reduced)  As 2003		
Sustainability / green issues	2	Out of town location  Excellent opportunity to develop purpose built sustainable office  Difficult green travel plan to implement	2	4	As 2003  As 2003  As 2003	2	4
Economic input	1	Large scale reduction in economic vitality of city as less staff spending in city centre	1	1	As 2003	1	1
Staffing input	2	Travel to work time increased by up to 40 minutes a day  Improved office accommodation  Isolated from local facilities	1	2	As 2003  As 2003  As 2003	1	2
Deliverability	1	Site outside council ownership  Potential Section 106 delays to site acquisition  Once purchased – Brownfield site	3	3	As 2003	3	3
<b>TOTALS</b>				<b>39</b>			<b>37</b>
Less risks	2	Financial risk associated with large scale	2	4	As 2003	2	4

Objective	Weighting	Old Sarum 2003	Score	Score x weighting	Old Sarum 2006	Score	Score x weighting
		capital project					
		Reputation risk in locating local public services out of town			As 2003		
		Reputation risk associated with investment in administrative buildings			As 2003		
		Economic risk to viability of city centre			As 2003		
		Operational risk of low staff morale and recruitment difficulties					
<b>OVERALL SCORE</b>				<b>35</b>			<b>33</b>

**Cancel the project**

Objective	Weighting	Risk	Score	Score x weighting
<b>Improving customer service</b>	<b>3</b>	<b>Customer contact remains fragmented</b>  <b>Purpose built customer contact centre not delivered</b>  <b>PFH contact centre not DDA compliant</b>  <b>Specialist back office staff not on hand to deal with complex enquiries</b>  <b>Fails to deliver action plan from Audit Commission report on Customer Focus.</b>	<b>1</b>	<b>3</b>
<b>Meeting the financial challenge</b>	<b>3</b>	<b>Sunk costs in the region of £4m.</b>  <b>Contractor claims in the region of £2m to £4m</b>  <b>Council potentially bankrupt</b>  <b>Savings foregone</b>	<b>1</b>	<b>3</b>



Objective	Weighting	Risk	Score	Score x weighting
		<p>Reliance on hired rooms for council meetings.</p> <p>Additional costs of doing bare minimum to Bourne Hill house.</p>		
Building organisational capacity	2	<p>Temporary office accommodation standards maintained indefinitely.</p> <p>Cross functional working difficult to deliver.</p> <p>No potential for additional public services to be accommodated.</p> <p>Decreased productivity of staff due to travel between offices.</p>	1	2
Sustainability /green issues	2	<p>No opportunity to improve sustainable operation of council offices.</p> <p>Increased use of car travel for work usage.</p> <p>Increased energy costs.</p> <p>No incentive to meet Green Travel Plan to reduce staff car parking and therefore no reduction to city congestion.</p>	1	2
Economic viability	1	No additional accommodation provided and available within the city centre	1	1
Staffing impact	2	<p>Increased dispersal of staff around city centre.</p> <p>Facilities and accommodation standards continue to decline.</p> <p>Unable to meet DDA compliance for recruitment of staff</p>	1	2

Objective	Weighting	Risk	Score	Score x weighting
		For Unison comments please see covering Cabinet report of 31 May 2007.		
Deliverability	N/A	<p>Construction contract may be cancelled but compensation will be payable</p> <p>Repairs to the Council House need to be completed</p> <p>Regulatory Risks</p> <p>Potential Enforcement action</p> <p>Fresh listed building application would be required</p> <p>Revised Memorandum of Understanding would be required</p> <p>Non compliance with statutory duties ie DDA</p> <p>Please see covering Cabinet Report of the 31<sup>st</sup> May 2007</p>	N/A	N/A
<b>Totals</b>				<b>13</b>
Less risks	3	<p>Significant financial risk in terminating the project.</p> <p>Significant financial risk associated with making existing buildings DDA compliant.</p> <p>Significant financial risks associated with repairs and maintenance costs to council buildings.</p> <p>Reputational risk with Audit Commission - use of resources rating/CPA.</p> <p>Reputational risk with English Heritage around conservation of council-owned</p>	5	15

Objective	Weighting	Risk	Score	Score x weighting
		<p>buildings.</p> <p>Reputational risk that the organisations appetite for new ways of working is diminished.</p> <p>Reputational risks in public sector body not honouring its contractual obligations</p>		
<b>Overall score</b>				<b>-2</b>

## 2.6. Sensitivity analysis

A sensitivity analysis seeks to examine the impact of changes on the results of the options appraisal.

The overall score for Bourne Hill was 50 in 2003, 53 in 2006 **and 54 in 2007**

Whilst the overall score for Old Sarum was 35 in 2003 and 33 in 2006.

These scores indicate that the Bourne Hill option when scored against the objectives is the preferred option by a significant margin.

**The overall score for cancelling the project is -2. It has a negative score due to the material high risks and lowest score for meeting the financial challenge.**

A sensitivity analysis needs to consider whether any key changes would lead to the discounted option becoming the preferred option.

A review of the Risk Register and consideration of changing the weightings indicates that this is unlikely since it would require a 30% “swing” away from Bourne Hill to Old Sarum.

## 2.7. Preferred option

The council has undertaken an extensive analysis of the potential sites for office centralisation. This has regularly been reviewed as additional potential sites have become available.

An options appraisal of the two short-listed options was undertaken in 2003 and reviewed again in 2006 and 2007. This shows that while Old Sarum plus a contact centre would remain a marginally cheaper capital option, it does not fully meet the objectives of the project, it does not meet the sequential test and as section 4.1 shows it is not the option with the lowest net present value. **An additional option has been appraised in May 2007 based on cancelling the project. This indicates that the financial and reputational risks are significant and none of the project objectives are met.**

In summary, the Bourne Hill option provides a holistic option which safeguards

and retains a significant building, creates fit for purpose offices, transforms services to customers enhances the environment and landscape, continues to support the economic vitality of the city centre, creates a landmark building of the future and saves the council over **£750k** annually.

### **3. Commercial Aspects**

#### **3.1. Output based specification**

Output based specifications will be used for key contracts in the project. The original Development Brief for appointing the architects included the following:

- Provide a high quality environment, which enhances the City Centre, welcomes visitors and defines a clear and distinct sense of place.
- A development that protects cultural heritage resources, secures their long-term, viable future and enhances the wider historic setting.
- The design and creation of a flexible, durable building, which respects and enhances the location, the environment and the community.
- All aspects of the development to be underpinned by principles of sustainability.
- A form of development that achieves good integration with the surrounding City Centre and provides attractive linkages to important adjacent shopping and commercial streets.
- Retains and extends important employment use, which enhances the vitality and viability of the City Centre and reinforces Salisbury's function as an important sub-regional centre.
- Facilitates easy movement through the development particularly for pedestrians, cyclists and mobility-impaired through good design, creating a legible development with clearly defined routes and linkages to the rest of the City Centre.
- Provide very high quality landscape yielding a high quality public domain, which protects and enhances important natural resources and habitats.
- The provision of appropriate and accessible open space including an upgrading of existing areas.
- A development that reinforces the Councils Transportation Strategy by providing a choice of transport and promoting public transport, walking and cycling, as well as providing adequate standards of car parking.
- A safe environment, which feels safe during the night as well as the day.
- As little disruption as possible to the surrounding residents and general public during the construction process.

#### **3.2. Sourcing options**

The Council initially considered sourcing options at Cabinet in December 2004 and evaluated the strengths and weaknesses of:

- A public/private partnership (with and without P.F.I.).
- Using the Prudential System (with or without external borrowing).

- Leasing.

In February 2005 Cabinet confirmed that they wished to utilise the Prudential System, with the intention of having no impact or a saving on the Council's revenue budget.

A detailed procurement and contract strategy was adopted in August 2005 based on a traditional procurement method based on two stages. This was varied in May 2006 to a single stage traditional procurement method, following the extensive work undertaken in the Environmental Impact Assessment and the savings that would accrue from a wholesale decanting of staff (Decant Strategy – February 2006.)

### 3.3. Payment mechanisms

Payments to contractors will be in accordance with the standard terms and conditions relating to the contract adopted. Consideration will be given to 'incentivisation' of contractors to deliver value engineering solutions. Payments to consultants will be in accordance with the standard form of contract related to their particular discipline.

### 3.4. Risk allocation and transfer

Risks will be allocated based upon the selected procurement route. Consideration will be given at all times to ensuring best value is delivered. The major construction risks will be in respect of the house.

### 3.5. Contract length

The construction contract duration will be in accordance with the project programme and stipulated in the tender documentation. Contractors will be given the opportunity to submit tenders for optimum contract periods, if these are shorter than defined in tender documents. Contract periods will be determined in conjunction with the design team advice.

### 3.6. Personnel issues including TUPE

There are no TUPE issues with the preferred option. The trades unions are represented on the "Improving Customer Services Board" and have been consulted over all key issues affecting staff.

A staff focus group has been set up and meets bi-monthly to consider a range of issues impacting on staff.

### 3.7. Implementation timescales

The project programme currently indicates the following timescale:

#### Enabling works

This contract includes the demolition of the Victorian extension, temporary buildings and the Print Unit building etc., together with a site strip, archaeological investigations and tree protection measures (commencing first quarter 07). **Completion due second quarter 07 other than the items put on hold (pond, walled garden).**

#### Construction

This contract includes the construction of the new extension, repair and refurbishment of the Council House and the landscaping works. The programme indicates that these elements will take 18 months. **(Commencing second quarter 07. Completing first quarter 09)**

#### Preparation for moving in

SDC arrange for furniture and equipment and staff return **(first/second quarter 09)**.

#### Server room

Finally, the existing server room (which will remain operational throughout the enabling and main contracts) will be refurbished as a discreet piece of work following completion of the main contract and is estimated to take 2-3 months (commencing **second quarter 09**)

### 4. Affordability comparison at July 2006.

#### 4.1. Project based on whole life costs

In order to assess the relative merits of projects it is prescribed best practice in the Treasury Green Book to use whole life costs.

Whole life costs look not only at the initial capital outlay for a project but its effect on the running costs across the initial life of the building (25 years).

Nisbet LLP was commissioned to undertake a whole life costing analysis of: Bourne Hill, Old Sarum and the do nothing option. This is attached at Appendix 2.

The three options have been assessed using property and non- property costs. A schedule of the non-property related costs/savings is attached at Appendix 3. For ranking purposes these costs are discounted at the prescribed rate of 3.5% to produce a "net present value" (NPV) which converts all costs to current values.

The NPV is a prescribed comparator tool and whilst all current known costs and savings have been factored in at best estimate prices, it does not directly show the eventual costs and savings that will arise.

The report ranks the NPVs to be:

	£
- Do minimum	10.567m
- Old Sarum/Contact Centre	4.531m
- Bourne Hill	3.965m

Thus one obvious conclusion is that "Do Nothing" option has a significantly higher life cost than either of the other two.

A further conclusion is that the other two options are relatively close so a sensitivity analysis of the assumptions was undertaken to see the effect if the savings element of the two options yielded only 75% of those projected. The conclusion was that this has only a marginal effect between the two options, leading to further validation of Bourne Hill.

Whilst whole life costs are an intrinsic part of the decision making process, the council approved project budget will be based upon the capital cost components only. Nonetheless, consideration will be given at all stages to the whole life cost of components in the development of the design.

The project budget is split into two components to accord with the council's approvals process.

The pre-stage D budget (£1.5m) is a "sunk cost" and has therefore been ignored in the calculation of the NPV.

The existing post stage D budget contained in the approved capital programme is £11.75m. This was based on estimations in December 2004 (Between Stages B and C of the project).

For the purposes of the current business case the estimates are based on the final stage E cost report (based on Quarter 2 2005 prices). The covering report to this business case outlines the differences between the current budget and the latest detailed costed estimate and recommends varying the existing capital programme.

#### **Further Commentary May 2007**

**Whilst it is recognised that there is a narrowing of the gap in pure NPV terms between the Old Sarum and Bourne Hill options since July 2006, this has only arisen as the market risk has been eliminated from the Bourne Hill option by letting the contracts.**

**The "Cancel" the project option would have a higher NPV than the original "Do minimum" option as at this stage sunk costs and potential penalty costs cannot be ignored. In addition the "Do nothing" option would now need to deal with the loss of the Victorian extension etc**

**No attempt at establishing a NPV for any "hybrid" options has been undertaken as the need to take into account the sunk costs and deliverability means that comparison is not achievable.**

#### 4.2. Income and expenditure account:

The current approved capital scheme was initially approved in February 2005 and again in February 2006 with a commitment for the scheme to be at least Council Tax neutral (i.e. the costs of the scheme would be the same or outweighed by the savings generated). **This commitment was reiterated when the current budget for the scheme was approved in December 2006.**

Savings from the preferred option of around £750,000 per annum at current budget levels offset the cost of lost interest (see table below). The level of savings increases over time with pay awards, inflation and backlog maintenance in future years. The current affordability model is shown at Appendix 4.

#### 4.3. Balance sheet

The council has a strong balance sheet with no current capital financing requirement. Capital receipts can therefore be used to finance capital expenditure without use of grants or contributions from others. By investing in the preferred option the council can finance the capital required for the project through revenue savings thereby using cash reserves to create further fixed assets that work for the council more efficiently than the existing assets and revenue profile.

Viewed as a return on investment and using the latest cost estimates (net cost of scheme - **£10,663m**), the savings are as follows:

	Interest £'000	Savings £'000	Return on investment %
<b>Net cost of scheme £10.663m Current Return (whilst invested)</b>	<b>533</b>	<b>0</b>	<b>5</b>
<b>Following construction (Assuming no further revenue savings)</b>	<b>0</b>	<b>750</b>	<b>7</b>

#### 4.4. Cash flow

The council has surplus cash, which is invested with a broker in secure investments following a low risk treasury management policy. The average return on investments is benchmarked to the 7 day LIBID rate (approximately base rate). Some short-term investments are made direct to the market by the in-house team and returns have been broadly in line with those achieved by the brokers.

The major projected capital cash flows of the project post stage D are shown below:

Year	2005/6	2006/7	2007/8	2008/9	2009/10	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure	<b>300</b>	<b>1,050</b>	<b>10,323</b>	<b>3440</b>	<b>250</b>	<b>15,363</b>
Income	<b>0</b>	<b>0</b>	<b>(2,350)</b>	<b>(2,350)</b>		<b>(4,700)</b>
Net Cash flow	<b>300</b>	<b>1050</b>	<b>7973</b>	<b>1090</b>	<b>250</b>	<b>10,663</b>

## 5. Achievability

### 5.1. Evidence of similar projects, where available

The project team comprising both council officers and consultants has a strong track record. Within the council the team has extensive legal and property management experience along with **contract management, clerk of works** and the financial management of major capital projects. The project sponsor is an accredited 4 P's reviewer. The council has previously managed the redevelopment of the Five Rivers Leisure Centre, a £7.5m scheme. Results from the post project evaluation have been incorporated into the current proposals.

The consultant team are highly experienced in delivering complex construction projects. The criteria for the selection of the consultants has reflected the specific issues identified by the site i.e. heritage issues, contemporary design



and low energy building. A similar process will be adopted for the principal contractor's selection with particular regard to the experience of listed buildings and complex sensitive sites. Representatives from the consultants have been responsible for internationally recognised and award winning schemes.

## 5.2. Project Roles

The office project plays a key role in delivering the council's political priority of "Improving Customer Services". Three key strands of work support the priority:

- the introduction of a Customer Services Unit to enable the resolution of 80% of all enquiries at first point of contact;
- providing customers with the opportunity to access services through the council's website – [www.salisbury.gov.uk](http://www.salisbury.gov.uk);
- and centralising the council's office accommodation on one site with a purpose built customer contact centre.

Each of the three strands has a strategy or business case, a project plan and performance measures. Key to the successful delivery of the overall programme is the effective management of the interdependencies of the three projects. The overarching Improving Customer Services Board undertakes this. The governance arrangements of this and the supporting project groups are outlined in Appendix 5 to the Business Case.

The following table summarises from a range of other documents the links between projects:

Strategic Document	Area of Activity	Governance Arrangements	Key Issue /Interdependency for Office Project	Project Plan Arrangements	Lead Officer
Achieving Customer Excellence Strategy	Delivery of customer services	Improving Customer Services Board	<ul style="list-style-type: none"> <li>• Manage reduction in receptions and consequent efficiencies</li> <li>• Plan the design of the new customer contact centre</li> <li>• Encourage use of telephone and web based services for those customers who are able to use these channels in order that resources are available for the most vulnerable customers who prefer face to face contact</li> <li>• Transfer services into the Customer Services Unit following business process re-engineering to achieve efficiencies targeted in the office project</li> </ul>	<ul style="list-style-type: none"> <li>• Project plan in place</li> <li>• Performance indicators and measures in place and being monitored</li> </ul>	Helen Frances – Head of Customer Services

Strategic Document	Area of Activity	Governance Arrangements	Key Issue /Interdependency for Office Project	Project Plan Arrangements	Lead Officer
ICT Strategy	Delivery of Services via the website	E Governance Group	<ul style="list-style-type: none"> <li>Plan wireless technology for new office and maintain existing services during rebuilding</li> <li>Implement document management prior to moving into new building to improve efficiency and ability of remote workers to access all information and reduce accommodation needs</li> <li>Deliver services via the web to offer choice to customers</li> </ul>	As above	Les Wright – Head of ICT
Work Life Balance Policy	Home working /mobile working /remote working	Innovative Ways of Working Group	<ul style="list-style-type: none"> <li>Ensure minimum of 25% of staff are working at home or at hot desks to ensure office space is only provided for essential posts.</li> <li>Provide range of opportunities for flexible working to minimise costs of accommodation, enhance recruitment and retention and provide enhanced opening hours for public access to services</li> </ul>	<ul style="list-style-type: none"> <li>Project Initiation Document in place</li> <li>Performance measures in place and being monitored</li> </ul>	Anne McConkey – Head of People and Organisational Development
Business Case – Office Centralisation and Decanting Strategy	Moving arrangements and facilities management	Branding, furniture, FM	<ul style="list-style-type: none"> <li>Implement the moves back into the building</li> <li>Plan revised facilities management arrangements, ensuring energy efficiencies are met</li> <li>Purchase furniture, which enables space to be maximised and hot desking to be managed</li> <li>Introduce new brand</li> </ul>	<ul style="list-style-type: none"> <li>Actions plan and timetable for next phase to be produced.</li> </ul>	To be appointed.
Business Process Re-Engineering Plan	Delivering efficiencies	Improving the Finance and Performance of the Council Board	<ul style="list-style-type: none"> <li>Review administrative arrangements to provide a corporate rather than unit based approach and</li> </ul>	<ul style="list-style-type: none"> <li>Project Initiation Document and timetable in place</li> </ul>	Helen Frances – Head of Customer Services

Strategic Document	Area of Activity	Governance Arrangements	Key Issue /Interdependency for Office Project	Project Plan Arrangements	Lead Officer
Medium Term Financial Strategy	As above		<ul style="list-style-type: none"> <li>achieve efficiencies</li> <li>Delivering efficiencies identified for 2006/07</li> </ul>	<ul style="list-style-type: none"> <li>Action plan and monitoring arrangements in place</li> </ul>	Alan Osborne – Head of Financial Services
Capital Strategy and Procurement Strategy	Funding the project		<ul style="list-style-type: none"> <li>Managing the Capital Programme and prudential borrowing to enable project to proceed</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring arrangements in place</li> </ul>	
Asset Management Plan and Asset Disposal Strategy	Delivering maximum capital receipts from the sale of surplus buildings		<ul style="list-style-type: none"> <li>Maximise financial contribution to the project</li> </ul>	<ul style="list-style-type: none"> <li>Commissioning of development briefs currently being actioned and regular review of market</li> </ul>	John Crawford – Head of Legal and Property Services

The roles of the various project groups and their terms of reference are outlined in Appendix 5.

### 5.3. Procurement Strategy

The council agreed its Procurement Strategy at the Cabinet meeting in May 2006. This is attached as Appendix 6.

### 5.4. Project Plan

The project programme was prepared and is maintained by the Project Manager. The programme is updated monthly to reflect actual progress against target and adjusted to reflect changes in circumstances as and when they occur. Key dates will be reported to the Steering Group.

### 5.5. Contract Management

The lead consultant will manage construction contracts. The lead consultant will form an integral part of the contract strategy decision making process to ensure their 'buy in' to the contracts and procurement approach adopted.

### 5.6. Risk Management Strategy

Risks workshops are held regularly, involving all interested parties. Risks are reviewed and their status revised accordingly. Those risks which have either been mitigated or managed out are closed out. New risks will be introduced as appropriate. Construction risks will be managed at design team level. The steering group will manage higher level risks and non-construction related risks.

To ensure effective management of the project contingency sums the risks will be costed and determine more firm risk values. These can then be released as risks are countered.

## 5.7. Benefits Realisation Plan

The critical success factors will be delivered through the following methods.  
The project sponsor and Cabinet member for Resources will monitor the overall plan with day-to-day responsibility with the officers named below.

<b>Critical Success Factors</b>	<b>Delivery Method</b>	<b>Estimated / Service / Financial Benefit (where applicable)</b>	<b>Lead Officer</b>
Project achieved within budget*	<ul style="list-style-type: none"> <li>Targets set in Medium Term Financial Strategy</li> <li>Monitored by Improving the Finance and Performance of the Council Board</li> <li>Strong project management</li> </ul>	<ul style="list-style-type: none"> <li>See individual financial savings below</li> </ul>	<ul style="list-style-type: none"> <li>Acting Chief Executive / Head of Financial Services</li> </ul>
Project achieved within time	<ul style="list-style-type: none"> <li>Project plan monitored and risks managed</li> </ul>	<ul style="list-style-type: none"> <li>Each month the project is delayed increases costs by £50k in building inflation</li> </ul>	<ul style="list-style-type: none"> <li>Project Manager (External)</li> </ul>
Project provides sufficient capacity	<ul style="list-style-type: none"> <li>Careful planning of desk numbers and remote working arrangements</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced work / life balance for staff</li> </ul>	<ul style="list-style-type: none"> <li>Project Manager (Internal)</li> </ul>
Favourable public reaction	<ul style="list-style-type: none"> <li>Public feedback</li> <li>Results of external reviews</li> </ul>		<ul style="list-style-type: none"> <li>Marketing Manager</li> <li>Project Sponsor</li> </ul>
Favourable staff reaction	<ul style="list-style-type: none"> <li>Regular staff focus group sessions</li> <li>Regular news in "Link Up"</li> <li>Work Life Balance Policy approved and implemented</li> </ul>	<ul style="list-style-type: none"> <li>Improved motivation / morale</li> </ul>	<ul style="list-style-type: none"> <li>Head of People and Organisational Development</li> </ul>
Improved recruitment and retention	<ul style="list-style-type: none"> <li>Designs of new office included in recruitment packs</li> <li>Numbers of applicants and turnover monitored</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced perception of council with potential job applicants</li> </ul>	<ul style="list-style-type: none"> <li>Head of People and Organisational Development</li> </ul>
Increase customer satisfaction**	<ul style="list-style-type: none"> <li>Customer contact centre arrangements based on national best practice and surveys conducted after opening</li> </ul>		<ul style="list-style-type: none"> <li>Head of Customer Services</li> </ul>
Reduced running and staffing costs	<ul style="list-style-type: none"> <li>Building management</li> </ul>	<ul style="list-style-type: none"> <li>The project will reduce costs by</li> </ul>	<ul style="list-style-type: none"> <li>Project Manager</li> </ul>

Critical Success Factors	Delivery Method	Estimated / Service / Financial Benefit (where applicable)	Lead Officer
	<ul style="list-style-type: none"> <li>system monitors energy usage</li> <li>Deletion of posts from the council's establishment</li> </ul>	£750k per annum	(Internal) <ul style="list-style-type: none"> <li>Head of People and Organisational Development</li> </ul>
Reduced cars at Bourne Hill	<ul style="list-style-type: none"> <li>Reduce car spaces.</li> <li>Introduce green travel plan</li> </ul>	<ul style="list-style-type: none"> <li>Less congestion</li> </ul>	<ul style="list-style-type: none"> <li>Head of Forward Planning &amp; Transportation</li> </ul>
Positive relationship maintained with neighbours	<ul style="list-style-type: none"> <li>Regular consultation and communication</li> </ul>		<ul style="list-style-type: none"> <li>Marketing Manager</li> </ul>
Building achieves national recognition	<ul style="list-style-type: none"> <li>Best practice incorporated into project with high quality architectural design</li> </ul>		<ul style="list-style-type: none"> <li>Architects</li> </ul>
Successful regeneration of surplus buildings***	<ul style="list-style-type: none"> <li>Preparation of development briefs and successful marketing of assets to be disposed of</li> </ul>		<ul style="list-style-type: none"> <li>Project Manager (Internal)</li> </ul>
Reduced absenteeism and improved productivity	<ul style="list-style-type: none"> <li>Implementation of Managing Sickness Absence Policy.</li> <li>Implementation of Business Process Re-engineering****</li> </ul>	<ul style="list-style-type: none"> <li>It is estimated that sickness savings of 1 day per employee approximate to £50,000 per annum and productivity savings of a further £50,000 per annum will be made</li> </ul>	<ul style="list-style-type: none"> <li>Head of People and Organisational Development</li> <li>Head of Customer Services</li> </ul>

\* See the Medium Term Financial Strategy

\*\* See the Achieving Customer Excellence Strategy

\*\*\* See the Asset Management Strategy

\*\*\*\* See the Business Improvement Strategy

## 5.8. External Validation and Post Implementation Reviews

The council is regularly reviewing the project both internally and through external organisations (the Audit Commission undertook a VFM review in August 2005 and the 4Ps have undertaken gateway 0, 1 and 2 reviews. Feedback from both the Audit Commission and 4Ps has been positive and useful. Copies of the reviews are available on the council's website at

[http://documents.salisbury.gov.uk/council/committees/Cabinet/2005-09-07/R10-2005\\_09\\_07.pdf](http://documents.salisbury.gov.uk/council/committees/Cabinet/2005-09-07/R10-2005_09_07.pdf) and  
[http://documents.salisbury.gov.uk/council/committees/Cabinet/2005-07-13/R15-2005\\_07\\_13.pdf](http://documents.salisbury.gov.uk/council/committees/Cabinet/2005-07-13/R15-2005_07_13.pdf). And  
<http://documents.salisbury.gov.uk/council/committees/Cabinet/2006-11-15/R16-2006-11-15.pdf>

The council's Resources Scrutiny Panel has also examined the project in some detail. Minutes of those meetings are also available on the website at <http://www.salisbury.gov.uk/council/committees/Resources-OandS/>. The business case is regularly updated. A project evaluation review will be undertaken at the conclusion of the project to review how well it was managed and learn lessons for the future.

#### 5.9. Contingency Plan

Cabinet councillors will manage high-level contingencies that could jeopardise the project through regular review of the risk register and business case.

### 6. Timeline for Project as at May 2007

DATE	BODY	ACTIONS
Oct 1996	Donaldsons	<ul style="list-style-type: none"> <li>Assess feasibility of centralising offices on the site of the Old Manor Hospital.</li> </ul>
Nov 1996	P&R	<ul style="list-style-type: none"> <li>Adopts principle of centralised offices.</li> <li>Requests costing analysis.</li> </ul>
Feb 1998	Donaldsons	<ul style="list-style-type: none"> <li>Detailed feasibility study investigates four further centralisation options and their cost implications.</li> </ul>
July 1998	P&R	<ul style="list-style-type: none"> <li>Office Centralisation Working Group set up.</li> <li>Discussions with Department of Environment, Transport &amp; Regions on PFI outlined.</li> </ul>
Sept 1998	Donaldsons	<ul style="list-style-type: none"> <li>Outline Business Case for centralised offices at the rear of Bourne Hill via a PFI scheme, submitted to Department of Environment, Transport &amp; Regions (subsequently rejected).</li> </ul>
Sept 1999	Donaldsons	<ul style="list-style-type: none"> <li>Feasibility Analysis – Salisbury Swimming Pool site and former Countryside Agency Offices on Castle Street.</li> </ul>
Sept 2000	P&R	<ul style="list-style-type: none"> <li>EXEMPT BUSINESS.</li> <li>Reaffirm the P&amp;R's resolution to secure the provision of centralised offices on the Bourne Hill site and to progress an audit of office space within the Asset Management Plan process.</li> </ul>
Feb 2001	P&R	<ul style="list-style-type: none"> <li>Agreed process for provision of offices.</li> <li>P.I.D. for pre-construction phase.</li> <li>Approve establishment of Member/officer working group (subsequently named Office Design Team – O.D.T).</li> </ul>
Sept 2001	P&R	<ul style="list-style-type: none"> <li>Authorise officers to include projected costs in the capital budget.</li> </ul>
Feb 2002	District Audit	<ul style="list-style-type: none"> <li>Space utilisation.</li> <li>Review of decision making.</li> </ul>
Aug 2002	Vantagepoint	<ul style="list-style-type: none"> <li>Office Centralisation feasibility study and Business Case – recommended Old Sarum through Public Private Partnership (PPP) funding.</li> </ul>
Sept 2002	Resources Scrutiny	<ul style="list-style-type: none"> <li>Scrutiny of Vantagepoint study.</li> </ul>
Feb 2003	Cabinet	<ul style="list-style-type: none"> <li>Broadly accepted Vantagepoint – Contact Centre City and separate back office.</li> </ul>
May 2003	Humberts	<ul style="list-style-type: none"> <li>Planning appraisal and valuation report.</li> </ul>
June 2003	Radley House	<ul style="list-style-type: none"> <li>Feasibility study of Guildhall as a Customer Contact</li> </ul>

DATE	BODY	ACTIONS
	Partnership	Centre (subsequently found to be unsuitable as all requirements could not be accommodated).
July 2003	Cabinet	<ul style="list-style-type: none"> <li>Emerging preferred location – Bourne Hill.</li> <li>Include Pool / Car Park in assessments.</li> <li>Produce development brief.</li> <li>Prepare procurement / funding options.</li> <li>Add capital receipts from sale of Redworth (in principle).</li> <li>Continue liaison PCT/WCC.</li> <li>Consider public consultation.</li> </ul>
Sept 2003	Cabinet	<ul style="list-style-type: none"> <li>Procurement route approved (not PPP/PFI) – capital funding preferred route.</li> <li>Competitive interview for architects through RIBA.</li> <li>Interview delegated.</li> <li>Report back on options for procurement of building/Mgmt phase.</li> </ul>
Oct 2003	TTSP	<ul style="list-style-type: none"> <li>Established space requirements.</li> </ul>
Nov 2003	Cabinet	<ul style="list-style-type: none"> <li>Agreed space requirements to be included in development brief.</li> <li>Alternatives for excluded areas to be examined (e.g. Chamber – Arts Centre).</li> <li>Architects explore full potential of site.</li> </ul>
Jan 2004	Reps from Office Design Team plus external advisors	<ul style="list-style-type: none"> <li>Architects appointed.</li> </ul>
Feb 2004	Cabinet	<ul style="list-style-type: none"> <li>Consultation on future use of Guildhall.</li> </ul>
8 <sup>th</sup> , 9 <sup>th</sup> , 11 <sup>th</sup> Mar 2004	Statutory agencies, interested parties, potential users meetings – Stage 1	<ul style="list-style-type: none"> <li>Bourne Hill proposal outlined.</li> <li>Group invited to consider their requirements, ideas, issues etc.</li> </ul>
29 <sup>th</sup> Apr, 4 <sup>th</sup> & 6 <sup>th</sup> May 2004	Statutory agencies, interested parties, potential users meetings – Stage 2	<ul style="list-style-type: none"> <li>Updated Bourne Hill proposal outlined, incorporating views from Stage 1 consultation.</li> </ul>
May 2004	Members Meeting	<ul style="list-style-type: none"> <li>Architects gave informal presentation on their initial thoughts on the Master Plan for the Bourne Hill site to Members.</li> </ul>
17 <sup>th</sup> June 2004	Public Meeting	<ul style="list-style-type: none"> <li>Architects outlined the proposed Master Plan Development Strategy for the Bourne Hill site.</li> </ul>
June 2004	Cabinet	<ul style="list-style-type: none"> <li>Views of local community, WCC, Staff Focus Grp and UNISON noted and options now to be identified which: <ul style="list-style-type: none"> <li>retains asset value of car park and old pool site;</li> <li>meets needs of WCC;</li> <li>as far as possible minimise traffic and car parking impact on local residents consistent with planning and transport policies.</li> </ul> </li> <li>Outline master plan agreed.</li> <li>Authorise officers to appoint a Project Manager.</li> <li>Full Design Team to complete detailed design to planning permission.</li> <li>Continue discussions PCT/WCC.</li> </ul>
2004/05	Scrutiny	<ul style="list-style-type: none"> <li>Resources Panel ongoing scrutiny of project</li> </ul>
20 <sup>th</sup> July 2004	Community Groups, Stakeholders and representatives of the Public	<ul style="list-style-type: none"> <li>Preferred Option 2 also seen as least disruptive.</li> </ul>
July 2004	Cabinet	<ul style="list-style-type: none"> <li>Pursue new offices at rear of Bourne Hill and offices for WC on Pool site – Option 2.</li> </ul>

DATE	BODY	ACTIONS
		<ul style="list-style-type: none"> <li>Relocate Secret Garden / Recycling.</li> </ul>
Sept. 2004	Office Design Team	<ul style="list-style-type: none"> <li>Project Managers appointed: <ul style="list-style-type: none"> <li>James Nisbet &amp; Partners</li> </ul> </li> </ul>
Sept – Nov 2004	Office Design Team	<ul style="list-style-type: none"> <li>Design Team appointed (by Project Manager): <ul style="list-style-type: none"> <li>Davis Langdon (QS)</li> <li>Max Fordham (Services Engineers)</li> <li>J&amp;L Gibbons (Landscape Architects)</li> <li>Adams Kara Taylor (Structural Engineers)</li> <li>Turnberry Consulting (Conservation Advisors)</li> <li>Mott MacDonald (Traffic Impact Assessors)</li> </ul> </li> </ul>
November 2004	Office Design Team	<ul style="list-style-type: none"> <li>Conservation exhibition held.</li> </ul>
Dec 2004	Cabinet	<ul style="list-style-type: none"> <li>Project Plan noted.</li> <li>Finalised Councillor requirements.</li> <li>Adopted Conservation Policies.</li> <li>Determined funding route.</li> </ul>
Jan 2005	Panel from Office Design Team plus external advisor	<ul style="list-style-type: none"> <li>Appoint Conservation Architects.</li> </ul>
Jan 2005	Members Meeting	<ul style="list-style-type: none"> <li>Presentation of project purpose, design work and funding route to Members.</li> </ul>
Feb 2005	Cabinet and Full Council	<ul style="list-style-type: none"> <li>Agreed Capital Programme (including office centralisation at Bourne Hill with projected budget of £11.75m).</li> </ul>
Mar 2005	Cabinet	<ul style="list-style-type: none"> <li>Consider Vision and Objectives.</li> </ul>
Apr 2005	Cabinet	<ul style="list-style-type: none"> <li>Critical Success Factors, Review of Previous Costings and Proposals for External Review of the Project.</li> </ul>
May 2005	Cabinet	<ul style="list-style-type: none"> <li>Development of Asset Disposal Strategy</li> </ul>
June 2005	Cabinet	<ul style="list-style-type: none"> <li>Initial Designs</li> <li>Contract Strategy</li> </ul>
2005/06	Scrutiny	<ul style="list-style-type: none"> <li>Resources Scrutiny Panel ongoing scrutiny of project</li> </ul>
July 2005	Cabinet	<ul style="list-style-type: none"> <li>Feedback from 4Ps on the Gateway Review of Office Centralisation</li> </ul>
Aug 2005	Cabinet	<ul style="list-style-type: none"> <li>Detailed Designs</li> <li>Procurement and Contract Strategy</li> </ul>
Sept 2005	Cabinet	<ul style="list-style-type: none"> <li>External Review of the Office Centralisation Project by the Audit Commission</li> </ul>
Oct 2005	Cabinet	<ul style="list-style-type: none"> <li>Detailed Designs and Finish</li> <li>Asset Disposal Strategy</li> </ul>
Nov 2005	Cabinet	<ul style="list-style-type: none"> <li>Approval of Decant Strategy</li> </ul>
Dec 2005	Cabinet	<ul style="list-style-type: none"> <li>Supplementary Conservation Policies</li> </ul>
Feb 2006	Cabinet	<ul style="list-style-type: none"> <li>Asset Disposal Strategy – Implementation Plan</li> </ul>
Feb 2006	Full Council	<ul style="list-style-type: none"> <li>Reconfirmed Capital Programme</li> </ul>
Mar 2006	Cabinet	<ul style="list-style-type: none"> <li>Pre-Construction Drawings</li> </ul>
May 2006	Cabinet	<ul style="list-style-type: none"> <li>Office Centralisation Procurement Strategy</li> </ul>
May 2006	Planning & Regulatory Panel	<ul style="list-style-type: none"> <li>Planning permission</li> </ul>
June 2006	Members Meeting	<ul style="list-style-type: none"> <li>Presentation of current business plan</li> </ul>
June 2006	Cabinet	<ul style="list-style-type: none"> <li>Revised Business Case</li> </ul>
June 2006	Full Council	<ul style="list-style-type: none"> <li>Revised Business Case and amendment to Capital Programme</li> </ul>
July 2006	Cabinet	<ul style="list-style-type: none"> <li>Appointment of Consultants; Sign-off of Stage E; Amendments to the Decant Strategy and Supplementary Information for the Business Case</li> </ul>
Nov 2006	Cabinet	<ul style="list-style-type: none"> <li>Draft Development Brief: Old Swimming Pool Site College Street</li> <li>Travel Plan for Bourne Hill Office Project</li> <li>4Ps – Review of Office Project</li> </ul>



<b>DATE</b>	<b>BODY</b>	<b>ACTIONS</b>
Dec 2006	Full Council	<ul style="list-style-type: none"> <li>• Travel Plan for Bourne Hill Office Project</li> <li>• Revised Capital Programme sum</li> <li>• Delegation to Policy Director following discussion with Leader to award main contract</li> <li>• Award Enabling Contract</li> </ul>
<b>Feb 2007</b>	<b>Full Council</b>	<ul style="list-style-type: none"> <li>• <b>Revised Capital Programme agreed</b></li> </ul>
<b>May 2007</b>	<b>Full Council</b>	<ul style="list-style-type: none"> <li>• <b>Motion calling for a review</b></li> </ul>

**\*APPENDICES  
NOT ENCLOSED ON THIS OCCASION**

\*Available on request from the Management Team Office

1. Risk Register – **updated May 2007** (Nisbet & Partners)
2. Whole Life Cost Evaluation of the Options for Office Centralisation – **May 2006** (Nisbet LLP)
3. Schedule of Non-Property Related Costs/Savings
4. Affordability Model – updated **December 2006** (Head of Financial Services)
5. Project Roles and Terms of Reference – updated **May 2006** (Policy Director)
6. Procurement Strategy – May 2006 (Property Manager)

# Report

**Subject** : Office Centralisation Project - supplementary report  
**Report to** : Cabinet  
**Date** : Thursday 31 May 2007  
**Author** : Management Team and Head of Legal Services

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1. **Purpose:**  
In light of Cabinet deciding to proceed with the Office Centralisation Project as planned, to outline the implications of continuing with the project.
2. **Background:**  
The other open report on the agenda in respect of the office centralisation project details the background.
3. **Continuing the project as agreed by Full Council in December 2006:**  
The current position with the project is based on two contracts having been let to demolish/enable the project and to refurbish and construct the new extension.
  - 3.1. Legal Implications  
In view of the difficulties that have been experienced by the enabling contractors arising out of the activities of third parties which have from time to time hindered them from carrying out the enabling works the Council will need to consider taking steps to ensure that the main contractors do not experience similar difficulties when carrying out the construction works.

The main contractors not only need to secure the Council House, the areas occupied by the demolished Victorian extension and temporary buildings but also the walled garden and the strip of land between the walled garden and the access road to College Street car park for construction works and on a temporary basis the area lying immediately to the east of the walled garden for tree protection measures and temporary construction works.

The legal status of the walled garden is in dispute and the subject of High Court proceedings and the legal status of the entire Bourne Hill site other than the Council House the space occupied by the Victorian extension and temporary buildings is along with other adjoining lands owned by the Council the subject of an application for registration as a town or village green.



Awarded in:  
Housing Services  
Waste and Recycling Services



Whilst the Council has secured the walled garden temporarily by means of an injunction the Council can secure the walled garden and the strip of land permanently and the land to the east of the walled garden temporarily by appropriation under section 122 of the Local Government Act. The process would involve advertising notice of intention in a local newspaper for two consecutive weeks, consideration of any representations and a Member decision to appropriate or decline to appropriate as the case may be. The earliest that this could be achieved is 19 July, following which the contractor would require a period of time to remobilise resources, plant and sub-contractors.

**4. Management Team Recommendation**

It is the recommendation of Management Team to pursue with the appropriation of the areas of land identified in 3.1 of this report.

**5. Implications:**

**Financial** : contained in the other reports

**Legal** : contained in this report and the other report in open business

**Personnel** : contained in the other report in open business

**Community Safety**: contained in the business case

**Environmental** : contained in the business case

**Human Rights** : contained in the other report in open business

**6. Ward(s) Affected: All**