

**Decision Maker:** Executive

**Date:** 18th May 2016

**Decision Type:** Non-Urgent Executive Key

**Title:** **CIVIC CENTRE DEVELOPMENT STRATEGY  
STAGE 2 REPORT: BUSINESS CASE**

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**Chief Officer:** Director of Regeneration & Transformation

**Ward:** Bromley Town;

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1. Reason for report

- 1.1 To inform members that a Development Strategy Stage 2 Report has been prepared which has refined and tested the Civic Centre option selected by the Executive at its meeting of 17 September.
- 1.2 To confirm that the option represents an affordable and implementable strategy that meets the Council's objectives and to recommend that this project is approved and added to the Capital Programme, subject to the approval of Full Council.

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2. **RECOMMENDATIONS**

2.1 **Members are asked:**

- 1) to approve the Option 2 scheme that includes the retention of North Block, Stockwell Building and Reception and the demolition and rebuilding of the Adventure Kingdom to create a new Democratic Hub/ multi-purpose space.
- 2) to agree that the Palace and Council Chamber will not be retained
- 3) to approve the inclusion of the sum of £14.1m in the Capital Programme (Option 2), which will be funded from capital receipts, subject to the approval of Full Council.
- 4) to approve the procurement of the Project Delivery Team at a cost of £365k as set out in paragraph 3.50.

- 5) to approve the carry forward of general underspends totalling £200k to meet the cost of document management (see 3.17).**
- 6) to approve the area of open space delineated in Appendix 3 and to instruct officers to appropriate it for use as a park in accordance with the requirements of Section 122 of the Local Government Act 1972.**
- 7) to approve the boundary of the developable site area outlined in Appendix 3 and to instruct officers to appropriate the area to planning in accordance with the requirements of Section 237 of the Town and Country Planning Act at the appropriate time.**
- 8) to approve a conditional, subject to planning, disposal of the developable site area**
- 9) to approve the use of the consultancy services framework and contractor framework outlined in the report.**
- 10) to continue to make and follow up submissions and representations to the Development Plan (Local Plan) process.**

## Corporate Policy

1. Policy Status: Existing Policy
  2. BBB Priority: Excellent Council
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## Financial

1. Cost of proposal: Estimated Cost: £14.1m
  2. Ongoing costs: Potential savings of £620k per annum
  3. Budget head/performance centre: Admin Buildings – Bromley Civic Centre
  4. Total current budget for this head: £1.16m
  5. Source of funding: Existing controllable revenue budget 2016/17
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## Staff

1. Number of staff (current and additional): Not applicable
  2. If from existing staff resources, number of staff hours: Not applicable
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## Legal

1. Legal Requirement: None
  2. Call-in: Applicable
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## Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Borough wide
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## Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments:

As ward members, our priorities for the Civic Centre site are:

- low density development, reflecting the family home character that surrounds the site on four sides.
- the upgrading of the civic centre gardens into a park with improved public access
- a careful approach to accessing the site, avoiding too much traffic on the narrow Rafford Way.

We therefore support the proposals for 61 houses with flats in the Palace; and for upgrading the gardens to a park.

Officers and the Executive have engaged us very well in the process of putting together these proposals and we look forward to working with them again in the next stage.

### **3. COMMENTARY**

- 3.1 At the Executive on 17 September 2015, Members considered a Development Strategy for the Civic Centre site. Several options were proposed and the option to remain on site, occupy a smaller number of the existing buildings and to sell the remainder of the site was supported.
- 3.2 Members resolved that additional work should be undertaken to produce a more detailed Business Case for the selected option, which would enable the Executive to decide whether or not to proceed with its implementation. Consultants were reappointed to provide the services required to complete the Business Case. It was also decided that further work should be undertaken to identify the buildings for disposal and that all options should be considered.
- 3.3 The additional work required to produce a detailed Business Case was identified as follows:
- To clarify the Council's accommodation space needs and consider the location/ demand for ancillary and support space
  - To agree the extent and estimated cost of the capital works to Stockwell Building and Adventure Kingdom Building
  - To carry out financial modelling to identify construction, decant, IT and other costs and to assess anticipated receipts for disposal
  - To investigate the options for delivering the Document Management work stream
  - To prepare and submit landowner representations to the Consultation on the Draft Local Plan
  - To establish a landowner development brief
  - To carry out a condition survey to inform further business plan work
  - To carry out a desktop archaeological survey
  - To agree the basis on which surplus land will be sold
  - To establish clarity regarding any legal constraints and decide the appropriate action to be taken
  - To establish clarity regarding the boundary and access arrangements for the park land
- 3.4 This additional work has been carried out and the consultant has worked closely with the Civic Centre Project Board to produce the Development Strategy Stage 2 Report.
- 3.5 The Development Strategy Stage 2 Report has confirmed that the Civic Centre Redevelopment is an affordable and implementable strategy that meets Council objectives. The Executive is recommended to approve the Option 2 scheme that includes the retention of North Block, Stockwell Building and Reception and the demolition and rebuilding of the Adventure Kingdom to create a new Democratic Hub/ multi-purpose space. It is further recommended that the Palace and Council Chamber are not retained and that the boundaries of the park land and the developable site area shown in Appendix 3 are approved.
- 3.6 Members are also asked to approve that the surplus site is marketed in accordance with the consultant's recommendations and that the project is included in the capital programme and funded from capital receipts.
- 3.7 The key findings from the report that are outlined in the following sections substantiate the above recommendations.

#### **Buildings to be Retained**

- 3.8 The Development Strategy proposed the retention of North Block, Stockwell Building, Reception and a reconfigured Adventure Kingdom. Members requested a further review of the buildings to be retained and in particular to look at the option of retaining the Palace and Council Chamber and the impact on the Business Case.

3.9 The consultant has carried out further analysis on the retention of the Palace and Council Chamber. The Business Case for retaining the Palace and Council Chamber (with West Wing which links the two buildings) is not supported. Indeed the advice of the consultant is that retention would have a negative effect on values and redevelopment for the following reasons:

- Fragmentation of the surplus site area with a lack of separation between public access areas and residential development
- Fragmentation and poorer quality of development on Adventure Kingdom site with consequent loss of site value
- Adverse revenue and capital implications, such as reduction in annual revenue savings of £200k and backlog maintenance costs in the region of £2m
- A missed opportunity to improve the setting for the listed Palace as the retention of the Council Chamber would also necessitate the retention of the West Wing
- No opportunity to re-provide functions lost from the Great Hall or exploit income opportunities from Adventure Kingdom Building

### **Stockwell Building and Democratic Hub**

3.10 Approximately 44% of North Block is occupied by third party providers, which reduces the space available for LBB staff. However third party occupation must be retained as it provides an essential income stream.

3.11 The consultant has also considered alternative provision of the democratic spaces if the Palace and Council Chamber are not retained. It is proposed that a new Democratic Hub is created on the site of Adventure Kingdom. Two options have been considered for the Democratic Hub: refurbishment of the existing building and demolition and rebuild.

3.12 Refurbishment will provide a like for like replacement of space, but it has a number of disadvantages, as the structural frame of the building will restrict the design and offer less flexibility of use.

3.13 The Demolition and rebuild option provides an opportunity to construct a two storey building with a single storey Council Chamber/ multi-purpose venue with café linked to an external garden. This option provides more floor area, versatility and income generation potential. It could also cater for some of the events that will be displaced from the Great Hall. The consultant recommends this option, which has been endorsed by Members and Directors at the workshops and other consultation events. A new building will provide a high quality venue that benefits the public as well as the Council and create a better gateway to the Civic Centre.

### **Office Accommodation**

3.14 One of the key drivers for this project is the anticipated reduction in staff numbers as a result of the commissioning agenda and its impact on future office requirements. An FTE of 1,000 staff has been assumed and the consultant has reviewed accommodation requirements looking at workstations, third party occupiers and ancillary and support spaces. The anticipated staff numbers can be accommodated, but it will be necessary to increase the density of occupation in Stockwell Building. Refurbishment and reconfiguration works will be required in Stockwell Building to increase the number of workstations and provide additional meeting rooms. A minimum of 70 additional workstations will be required. Increasing the capacity of the building will require a new furniture layout with desks of a different profile, new IT infrastructure, additional toilet and refreshment facilities and alterations to mechanical and electrical equipment, including the provision of mechanical ventilation. It will also be necessary to

introduce agile working and to reduce ancillary and support spaces. The workshop with Directors, informed by the consultant's accommodation analysis, concluded that:

- Key third party occupants can be retained and rental income maintained
- 70% desk provision is feasible (i.e. 7 desks for 10 staff)
- 50% reduction in meeting rooms is feasible provided that some informal meeting spaces are provided
- Chief Executive and Directors only will have their own offices, although consideration will be given to offices for sexual health and child protection
- Essential ancillary and support spaces have been identified and opportunities to rationalise them considered
- Paper filing can and must be reduced
- The loss of 175 car parking spaces can be managed

### **Document Management**

3.15 The amount of storage space used for paper files must be reduced significantly. It will be necessary to reduce paper files in two tranches: prior to decanting staff so that building works can proceed and prior to re-occupation of the refurbished buildings.

3.16 Departments who will be affected by any moves have been asked to review their document management strategies and consider which of their files can be destroyed, sent to off-site storage or scanned. Electronic storage is being encouraged for the future and the Civic Centre review interfaces with work currently being undertaken by I S Services.

3.17 Human and financial resources will be required to organise, archive and scan files. It is proposed to fund this work stream outside the scope of the Civic Centre project and commence work on it immediately. General underspends were reported in the 'Budget Monitoring 2015/16' report to the Executive meeting on 23 March 2016. Members are requested to approve the carry forward of underspends, totalling £200k to meet these costs. Once the details of the costs are identified, the final release of the monies will be subject to the approval of the Resources Portfolio Holder.

### **CCTV Monitoring**

3.18 The CCTV Monitoring Station will have to be relocated as part of this project. It is proposed to move the monitoring station to another operational site within the Council's ownership.

### **Condition Survey**

3.19 When considering whether or not to retain a building, it is essential to establish its future maintenance costs. A condition survey was carried out of the Civic Centre buildings in December 2015. The survey assessed the condition of the building, mechanical and electrical elements of each building and the remaining life of those elements. It also estimated that the maintenance costs over the next 10 years will be £13.9m of which £5.4m is considered to be required immediately (i.e. backlog maintenance). The cost for each building is shown in Appendix 1 and the breakdown of the backlog maintenance costs is shown in the table below:

<b>Block</b>	<b>Backlog/Required Maintenance 2015 £'000</b>
Anne Springman	507
Hut	59
Joeseeph Lancaster Hall	637
North Block	33
North Lodge	101
Old Palace/East & West Wings	1,673
Rochester Block	1,254
Site	20
St Blaise Building	681
Stockwell Building	415
<b>Total</b>	<b>5,380</b>

## **Financial Modelling**

3.20 Further financial modelling was undertaken to inform the Stage 2 Business Case. The process is outlined below and the financial details are provided in Section 5 of this report and in the Part 2 report.

3.21 The financial modelling undertaken to inform the original Development Strategy identified potential savings, estimated capital expenditure and estimated capital receipts. It indicated that significant revenue savings could be achieved as a result of reducing the number of buildings occupied. It also indicated that the capital receipt obtained from the sale of the site could fund the construction and associated works required to deliver a reconfigured Civic Centre. The initial financial assumptions have been refined and re-tested and the conclusions of the Development Strategy have been confirmed.

### **Revenue Savings**

3.22 The estimated annual (building related) costs for the Civic Centre were assessed. If this project proceeds, the floor area of the Civic Centre will be reduced by 44%. The savings that would result from occupying fewer buildings were calculated on a m<sup>2</sup> pro rata basis. There are other costs associated with running the Civic Centre, but they have been assumed to be cost neutral at this stage, although they might also reduce as a result of the smaller footprint.

### **Capital Expenditure**

3.23 The consultant produced floor plans for a reconfigured Stockwell Building and for the two Democratic Hub options. The estimated cost of construction works were calculated based on these floor plans. The buildings that will be retained are connected to neighbouring buildings and services are interlinked between them. An allowance for demolition and separation of services has been made.

3.24 As well as construction costs, other associated costs have also been assessed under the following headings;

- Professional Fees
- Surveys
- Statutory and Other Costs
- Furniture
- Decant Costs
- Reoccupation of refurbished buildings
- Decommissioning empty buildings
- Relocation of ancillary services
- IT/Telephony/Data
- Contingency

### **Potential Capital Receipt**

3.25 The consultant identified a developable site area taking into account the proposed Civic buildings, the park land, the site constraints, the setting of the Palace and other listed structures and the surrounding area. Alternative master plans were produced to show a variety of dwelling types and densities that would “fit” into the developable area. The purpose of the master plans is to show how the site could be redeveloped and to assess the potential capital receipts that could be obtained from different types of redevelopment. The following master plans were produced:

Town house Option: 50 units plus 12 apartments in Palace

Town House Option: 61 units plus 12 apartments in Palace

Mixed Residential and Disposal of Palace/ West Wing/ Council Chamber: 153 units (139 apartments and 14 town houses)

Mixed Residential and Retention of Palace/ West Wing/ Council Chamber: 147 units (133 apartments and 14 town houses)

3.26 The master plans assume that the Palace will be converted into apartments as this is likely to be the most popular and higher value option. However alternative uses for the Palace might be considered by developers, who will be invited during the marketing process to consider alternatives, such as hotel use.

3.27 The range of capital receipts for master plan options has been assessed and the details are included in the Part 2 report. The level of capital receipt will be dictated by the density of redevelopment permitted on the developable site area. It is evident that the higher density town house and apartment schemes are more likely to realise higher capital receipts.

3.28 As part of the stakeholder engagement, the master plans were discussed extensively with Members. At the workshops and at subsequent meetings, they indicated that they want to be able to control any re-development on the site. They further expressed the opinion that high density apartment schemes would not be in keeping with the site setting and constraints and they expressed a strong preference for the town house schemes.



## **Planning Considerations**

- 3.29 At present, the planning policies are set out in the Development Plan comprising the London Plan, UDP and Bromley Town Centre Area Action Plan. It was agreed by the Executive at its meeting on 17 September 2015 that the Council in its capacity as landowner would make a planning representation as part of the Local Plan process. The planning representation has been submitted and the consultant has provided supplementary information to the Call for Sites Form previously submitted. This reflects the changing circumstances of the Civic Centre site.
- 3.30 An extract from the landowner representation as submitted is included as Appendix 2.
- 3.31 It is anticipated that the draft Local Plan will be further considered by the Council and submitted to the Secretary of State at the end of this year and in due course adopted in 2017. There will be degrees of uncertainty until the Local Plan is adopted and/or a planning permission is granted.

## **Boundary of Developable Site Area and Park Land**

- 3.32 The consultant has identified a developable site area as shown outlined in red in Appendix 3.
- 3.33 Parts of the Civic Centre site have been used as public open space for many years. However there is no official park designation, nor any clear boundary. The boundary needs to be clarified prior to marketing the site and the proposed boundary is shown outlined in blue in Appendix 3.
- 3.34 The proposed boundaries for the developable land and the park land were supported during stakeholder engagement activities and Members are recommended to approve the boundaries shown in Appendix 3.
- 3.35 Members are also recommended to approve that officers seek to appropriate the area of open space delineated in Appendix 3 for use as a park under Section 122 of the Local Government Act 1972 and to carry out any necessary actions prescribed by the legislation. A further report will be submitted to the Executive once the necessary actions have been taken.
- 3.36 As the Council is retaining the park land, consideration will have to be given to how it should be managed and the Council will need to reserve public rights of way to the park land across any land sold for development.

## **Archaeology**

- 3.37 An archaeological desk-based assessment was carried out in January 2016 to assess the significance of archaeological assets and consider the archaeological potential of the site. This assessment was carried out in order to establish if there are any archaeological assets that would impact on the area available for redevelopment, which could in turn affect the capital receipt potential. The assessment has not given rise to any major concerns.

## **Legal Constraints**

- 3.38 There are a number of covenants affecting the site. Investigations into the covenants have been undertaken and it has been concluded that up to 186 private dwelling houses could be constructed without breaching the covenants. To avoid any future ambiguity and to resolve any other restraints that may be identified by a developer (eg rights of light issues) it may be advisable for the Council to appropriate the area to be redeveloped under Section 237 of the Town and Country Planning Act 1990. It is recommended that officers prepare a report to appropriate the area if required by a developer of the site.

## **Disposal Options**

3.39 As part of the Development Strategy, the consultant outlined four possible disposal options:

- Freehold Sale via Conditional Contract
- Development Agreement including Retention of some New Development
- Joint Venture

3.40 These options were examined in further detail by the consultant and the benefits and risks of each are outlined in the Stage 2 Report. Following soft market testing, the consultant has advised that there would be significant market interest in the site, provided that the most suitable marketing option is chosen. In order to attract high quality developers the consultant recommends a conditional, subject to planning disposal. He further recommends that the site should be free from encumbrances, i.e. any legal constraints such as covenants or rights of light should be resolved by appropriating to planning as outlined in previous sections. If a purchaser does ask the Council to appropriate in the event that any such constraints are found to exist this is usually dealt with by including a provision in the contract agreeing that if required a report will be put to members asking for approval to appropriate the site to overcome any such restraints identified.

3.41 In order to maintain control over the redevelopment, but avoid an OJEU compliant procurement, the Council could market the site with a well worded disposal brief setting the planning context and aspirations for quality and density. This would allow the Council to assess any bids on quality and price.

## **Stakeholder Engagement**

3.42 After the consultant carried out some preliminary work, a number of workshops, presentations and briefings were arranged for Cabinet, Ward Councillors and Chief Officers. Their purpose was to give these stakeholders an opportunity to establish key principles and to steer the work being undertaken by the consultant.

3.43 The workshop with the Directors focussed on accommodation requirements and considered some key questions about work stations, ancillary and support spaces, third party occupation and democratic spaces. The key principles agreed by Directors about the office accommodation are outlined in paragraph 3.14.

3.44 The workshop for Members had a slightly different focus and considered the buildings to be retained, options for the Democratic Hub and its potential for multi-purpose use and income streams, the park boundary, the density of redevelopment, legal and planning constraints and the refurbishment of Stockwell Building.

3.45 Members expressed a clear preference for a lower density, high quality town house redevelopment, which would be in keeping with the surrounding area and the listed building and structures. They expressed a strong inclination to exercise control over any redevelopment of the site and indicated that any capital expenditure should be contained within the capital receipt for the site.

3.46 Members and Directors both supported the option to demolish and rebuild Adventure Kingdom and provide a Democratic Hub that could be a resource for the public as well as the Council.

## Programme

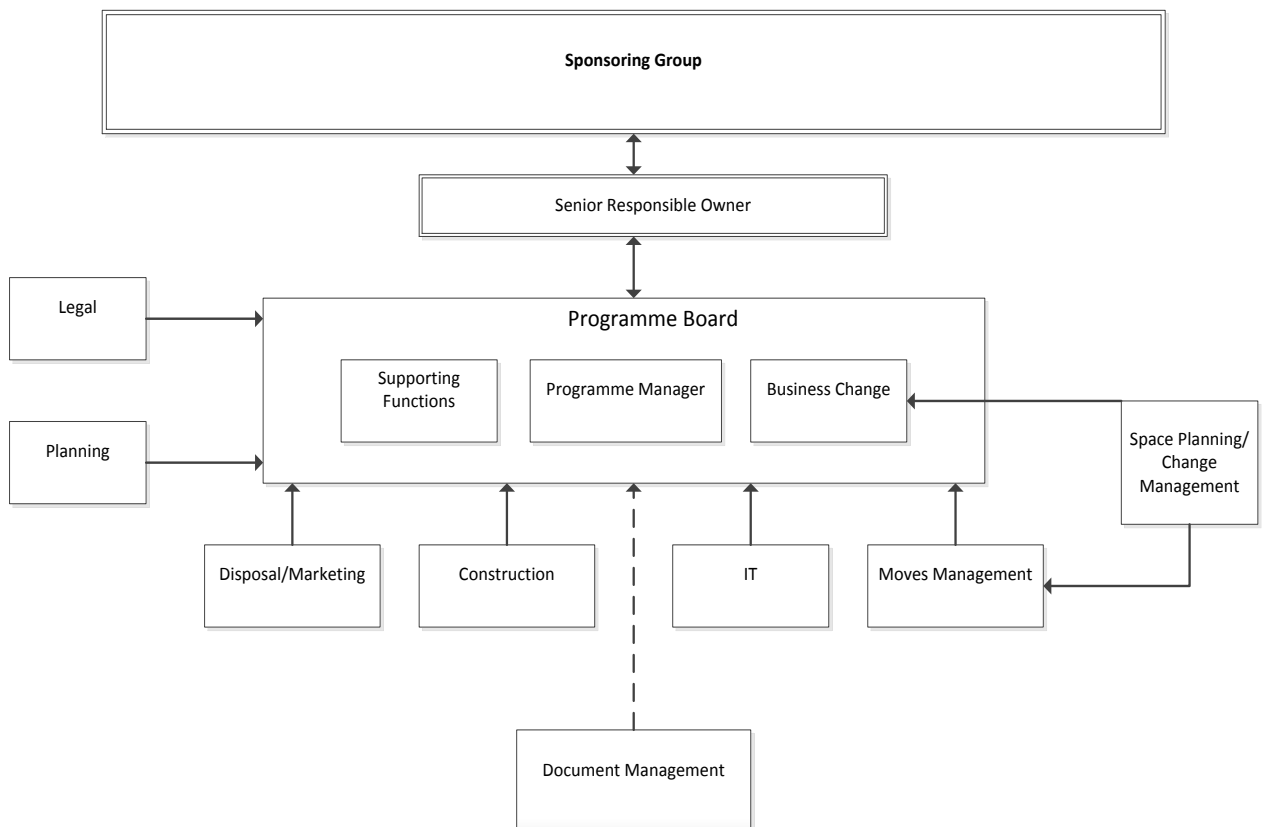
3.47 An Indicative programme for the works has been prepared and is shown in Appendix 4. The consultant recommends two concurrent activities: Marketing of the Site and Design Development/ Tender for Construction Work. Some of the key project milestones are as follows:

Task	Completion Date
Marketing of Site	March 2017
Decant of Staff	June 2017
Design Development/ Tender	June 2017
Construction	September 2018

3.48 The project is impacted by the Local Plan review, which is taking place in parallel, but independently of this project.

## Delivery Team

3.49 Delivery of this scheme is going to be very complex and an integrated approach will be required with a dedicated team to deliver it. As it will involve a range of projects/ work streams/activities which together will deliver the changes and as it interfaces with other Council activities such as the Local Plan review and Store IT project, it is proposed that a Programme Board will be set up. The following organisation chart shows the proposed composition of the team, which will include LBB staff and consultants.



3.50 It is not possible to deliver this project from current staff, but additional resources are required as follows:

Role	Status	Basis of Cost	Estimated cost £'000s
Space Planning/Change Management	Consultant	One off cost	30
Project Manager-Construction Project	LBB fixed term contract	MG6 for 3 years including on costs	155
Project Manager-IT	Consultant	2 days per week for 104 weeks @ £400 per day	80
Admin/Technical Support	LBB fixed term contract	BR8 for 3 years including on costs	100
<b>TOTAL</b>			<b>365</b>

## Procurement

- 3.51 The procurement of the consultancy services required for this project will be impacted by the Council's decision on whether or not to sign up to Amey's Total Facilities Management Framework. At its meeting of 23 March, the Executive deferred its decision about the proposed Total Facilities Management Contract. If the contract is accepted, then early discussions with the framework suppliers need to be undertaken to determine how the delivery team will be appointed.
- 3.52 If the contract is not accepted or there is delay to its commencement that will have an adverse impact on the programme, then procurement may have to commence anyway and be governed by the Council's Contract Procedure Rules.
- 3.53 The Public Contracts Regulations 2015 incorporate new EU and UK Regulations which have changed the procedures that must now be followed when procuring public sector contracts. For a project of this value an OJEU compliant process will have to be undertaken.
- 3.54 An alternative to OJEU is using a framework. Frameworks are usually available to public sector bodies, often within a geographical area, and the contractors on the framework are selected via an EU compliant tendering process.
- 3.55 LB Bromley uses a number of frameworks and officers recommend the one most appropriate for a particular project. The current frameworks may not be suitable for this type of project and it is recommended that the Council signs up to the Kent County Council's Consultancy Framework Agreement. Users of this framework will be expected to pay an annual fee of £500 and there is a £0.75% final fee amount per project.
- 3.56 A framework could also be used to procure a contractor. L B Bromley has signed the Access Agreement to the Major Works 2014 (LCP W1-MW14) Framework Agreement. The Framework covers projects from £100k to £5m plus. Officers have assessed the framework for use for capital projects and consider it to be suitable. It is recommended that it is considered as an option for procuring the contractor. There are a number of other contractor frameworks that will also be assessed for suitability.

## Project Risks

- 3.57 There are a number of project risks, which will have to be monitored or mitigated as the project progresses. The risks and mitigating action is outlined in the following table:

Risk	Action
Ensuring that the Capital receipt covers the capital expenditure	If the marketing of the site and the design work is carried out concurrently, the Council could obtain a subject to planning purchase price by end of 2016 before it places the contract for the construction works.
Receipt conditional on planning	To assess development proposals against adopted Development Plan policy, to review the progress of the Development Plan review, to apply for planning permission and include project break clauses or review points
Inappropriate marketing strategy	Undertake a conditional, subject to planning, disposal of site free from encumbrances as advised by consultant.
Demonstrating best value in disposal of assets.	Site to be marketed with a landowner disposal brief. Evaluation of offers to include an assessment of whether best value can be demonstrated.

#### 4. POLICY IMPLICATIONS

4.1 The Council is facing challenging economic times and has to make significant savings from the budget over the next few years. It is also seeking to achieve the rejuvenation of its Town Centres. Two of the strategies that will contribute to meeting these key challenges are:

- The Council's vision for delivering services as expressed in its Corporate Operating Principles
- A robust property review process accompanied by an active acquisition and disposal programme.

4.2 The Council has outlined its future vision for the delivery of its services in Building a Better Bromley's Corporate Operating Principles. The Corporate Operating Principles describe the Council as a commissioning organisation and states its intention "to deliver services by testing the benefits of:

- Having our services delivered by others
- Commissioning in partnership with others
- Delivering services in partnership with others
- Delivering services on behalf of others"

4.3 The Council's Development Plans set out the current planning policies and these can be used as a basis for planning decisions. To reflect the changing circumstances, submissions have been made to the draft Local Plan process.

4.4 The commissioning process is underway with many services being soft market tested or tendered at the moment. The commissioning of services will impact on the Council's future office requirements, particularly at the Civic Centre as it is anticipated that the number of staff will reduce significantly.

#### 5. FINANCIAL IMPLICATIONS

5.1 The purpose of the Stage 2 report was to confirm the likely capital expenditure required for the proposed changes to the Civic Centre site and also to verify the on-going revenue savings that could be realised.

- 5.2 It is estimated that the likely revenue savings will be 44% of the current building related costs of £1.4m, which would equate to £620k per annum.
- 5.3 The capital costs will vary depending on what is proposed for the Adventure Kingdom building. The consultant has considered alternative provision of the democratic spaces if the Palace and Council Chamber are not retained and it is proposed that a new Democratic Hub is created on the site of Adventure Kingdom. Two options have been considered for the Democratic Hub: refurbishment of the existing building and demolition and rebuild.
- 5.4 The estimated costs of both options are shown in the table below: -

Description	Option 1	Option 2
	Adventure Kingdom Refurbishment £'000	Adventure Kingdom Demolition & Rebuild £'000
Indicative construction works	8,156	9,454
Professional fees	1,060	1,226
Surveys	74	74
Statutory & other costs	120	120
Furniture	300	300
Decant costs	183	183
Reoccupation of refurbished buildings	60	60
Decommissioning empty buildings	160	160
Relocation of ancillary services	500	500
IT/Telephony/Data costs	670	670
Project team	365	365
Contingency at 10% of build costs	816	945
<b>Total estimated costs</b>	<b>12,464</b>	<b>14,057</b>

- 5.5 The Demolition and rebuild option provides an opportunity to construct a two storey building with a single storey Council Chamber/ multi-purpose venue with café linked to an external garden. This option provides more floor area, versatility and income generation potential. It could also cater for some of the events that will be displaced from the Great Hall. The consultant recommends this option, which has been endorsed by Members and Directors at the workshops and other consultation events. A new building will provide a high quality venue that benefits the public as well as the Council and create a better gateway to the Civic Centre.
- 5.6 The recommended option is therefore Option 2 with an estimated cost of £14.1m.

- 5.7 The consultant has estimated a range of capital receipts for the developable area of the site based on the alternative master plans outlined in section 3.
- 5.8 If this project is approved, it is proposed that the sum of £14.1m is included in the Council's Capital Programme and will be funded from capital receipts.
- 5.9 The estimated additional cost for the project team included in the overall project cost is £365k and comprises of 2ftes and additional consultancy services (see 3.50).
- 5.10 It is also recommended to carry forward a sum of £200k from the general underspends in the 2015/16 budget to meet the estimated costs of document management.

## 6. LEGAL IMPLICATIONS

- 6.1 These are mainly set out in the body of the report.
- 6.2 In addition, there are a number of tenants and licensees, who occupy accommodation in the Civic Centre buildings. In some cases, where the Council is no longer able to accommodate them, their occupation will have to be terminated in accordance with the terms and conditions of their leases or licences.

## 7. PERSONNEL IMPLICATIONS

- 7.1 Staff and their representatives will be properly consulted as necessary on the general and individual specific implications including disability related reasonable adjustments arising from the project.
- 7.2 The Delivery Team will comprise mainly of existing LBB staff or consultants, although some temporary staff might be employed for short periods to assist with the document management work stream.

<b>Non-Applicable Sections:</b>	[List non-applicable sections here]
Background Documents: (Access via Contact Officer)	Civic Centre for the Future, Report to Executive, 25 March 2015 (Part 2 Report) Civic Centre Development Strategy, Report to Executive, 17 September 2015 (Parts 1 and 2 reports) Civic Centre Development Strategy, July 2015 (Montagu Evans LLP) Archaeological Desk Based Assessment January 2016 (CGMS Consulting) Physical Condition Survey December 2015 (The Oakleaf Group)