

Notes from informal meeting held Monday 14 January 2019

RE: Cabinet decisions 10th Dec – accommodation review

1. Introduction

Officers and members met to discuss points of concern raised following the Cabinet decision. The notes below are a combination of summary discussion, responses and description of next steps (summary action plan) including the checks that are in place going forward (decision path).

Clarity over the background papers and the sources of information used to collate the recommended option has been achieved but for the purposes of record: the PwC reports and design briefs were only one input. Much of the information and proposal work has been revisited due to the age of the PwC work, recognition that the market has been affected by external changes, new opportunities and ideas being brought forward.

Other sources include the revisit and updating of costs and design of an existing North Weald site that has current planning permission for a Housing related depot and office accommodation. This is not the site contained in the PwC report and it has the benefit of not only planning consent but all other planning related considerations such as traffic movement, environmental impact assessment etc

The third source of information was EFDC estate and valuation expertise, this is the information contained as an appendix to the report.

The recommendation and decisions are the next steps to gaining clarity and certainty around costs and income. A budget of £425k has been allocated for feasibility and market testing and further detailed reports will come back to Cabinet for agreement before a commitment to spend on build.

There is a project team in place for this work and all of the comments, observations and challenges from this meeting will be fed into the work going forward. There will be a full project Risk register in place as work is progressed.

2. Notes and Actions – related to the decisions (*blue and italic indicates notes and actions going forward following the meeting*)

Copy of the Decisions:

7. ACCOMMODATION STRATEGY

Decision:

(1) That the Cabinet approved the accommodation option to maximise the Civic building use in Epping High Street by:

- (a) retaining Civic, Democratic and Customer Service functions on the Epping site;
- (b) delivering a combination of partner, community and business services from the Civic building;
- (c) refurbishing the areas of the Civic building to the standards appropriate for the use (subject to b) above);

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- (d) the disposal of land to the rear of the Civic site in line with the Local Plan allocation;
- (e) building office accommodation on Council owned land in North Weald for occupation by the Council and potentially partner organisations;

(2) That consequent to the approval of recommendation (1) above the following actions be taken:

- (a) That the Council proceed to full design and build specification of a new build reporting back to the Cabinet before the end of the financial year 2018/2019 seeking agreement to proceed to the procurement of the new build process and its Capital requirement;

Action following informal discussion 14-01-19:

New build Office proposal at North Weald

Carry out a detailed feasibility study ensuring any new development is in line with the new Local Plan and meets all the criteria in terms of planning and design. It should be noted that the final specification will be a Category A spec which will include the latest technologies and air conditioning but will not be to BREEAM excellent standard.

The report should include detailed development / build costs making allowance for building cost inflation and developer profits which may have changed since Brexit as developments are seen to carry more risk. Building costs to also include all fees and contingency.

Information on car parking, journey times and a traffic plan should also be provided and if available a consideration of alternative options in the district for relocation of staff from the Civic Offices.

The Cabinet are required to approve at a future meeting the procurement of any new build and the Capital sum required.

- (b) Cabinet agreed £425,000 capital expenditure for professional services and programme resource to deliver year 1 of the programme met from the existing planned maintenance budget phased as follows: virements of £25,000 in 2018/19 and £400,000 in 2019/20;

- (c) That land allocated within the local plan to the rear of the civic site be marketed for sale, with the sale to be progressed before end of the financial year 2019/20;

Action following informal discussion 14-01-19:

Civic Offices rear site

Appoint an agent / cost consultant with suitable residential development experience to carry out a detailed appraisal and feasibility report on a new build residential scheme taking into account current market conditions, the planning framework and viability of the site in terms of the proposed use. The aim would be to get a realistic residual valuation assuming residential consent and the appropriate level of affordable housing and what that mix would include.

The report should include detailed development / build costs making allowance for building cost inflation and developer profits which may have changed since Brexit as developments are seen to carry more risk. Building costs to also include all fees and contingency.

- (d) That authority be given to the Chief Executive to 'soft' market test the letting of areas of the Civic building spaces as marked on appendix A of the report;

Action following informal discussion 14-01-19:

Following an update on current position with partner organisations and commercial interest expressed there was little concern that a sound rental income could be achieved from tenants and partners occupying the Civic building. There was also assurance that the building would be occupied by sufficient numbers of 'employees' to have no detrimental effect on the high street economy.

All rental income streams will be modelled inclusive of rent free and void periods. The market test will give clarity and test partner commitment.

- (3) That a further report be made to Cabinet on:
 - (a) the feasibility of the marketing of the part site before the end of the financial year 2018/2019;
 - (b) the revisions required to the accommodation programme to align it with these recommendations;
 - (c) the formation of a governance structure to support effective and efficient delivery across the programme; and
- (4) That the Cabinet receive regular updates on the programme to future meetings.