


Agenda Item No:	12	
Committee:	Cabinet	
Date:	30 September 2024	
Report Title:	Future Space Requirements – Accommodation Review	

This item comprises EXEMPT INFORMATION [which is not for publication by virtue of Paragraphs in accordance with paragraph 3, Schedule 12A of the Local Government Act 1972 in that it contains information relating to information relating to the financial or business affairs of any particular person (including the authority holding that information) of Part 1 of Schedule 12A of the Local Government Act, 1972 (as amended).

1 Purpose / Summary

- 1.1 For Members of Cabinet to consider the Outline Business Case (OBC) in respect of the Corporate Accommodation Review and agree a singular preferred option to progress through to the development of a Full Business Case (FBC).
- 1.2 The OBC provides a further, more detailed assessment, considering both financial and non financial aspects of the shortlist of future accommodation options previously agreed by Cabinet, which resulted from Strategic Outline Business Case, considered in September 2023.
- 1.3 The OBC refines the assumptions and develops the options further to reduce the level of risk associated with each and enables the identification of a preferred option to take forward to a Full Business Case (FBC) which delivers the Council's Aims and Objectives.

2 Key Issues

- 2.1 There are a number of factors that have converged which are driving the opportunity to undertake a Corporate Accommodation Review. These factors fall largely into four key themes, very briefly these include:
 - Enable the implementation of the Transformation Agenda, which provides opportunities to implement new technologies to streamline service delivery.
 - Achieve significant cost avoidance and ongoing operating cost savings.
 - Achieve Asset Management Plan (AMP) objectives by improving functional suitability and utilisation of operational assets.
 - Providing future flexibility providing for both our organisational needs and those of our customers both now and into the future
- 2.2 In 2021, Fenland District Council ("FDC") commissioned a condition survey of Fenland Hall which identified significant safety, compliance and condition issues within the building. The mechanical and electrical installations, heating

systems and roof were identified as being at the end of estimated useful life and in the near future will require full replacement to either ensure compliance or prevent significant ongoing maintenance capital expenditure.

- 2.3 As a result, informal discussions with Cabinet were initiated during which it was agreed that the Council undertake a swift and thorough assessment of its main corporate accommodation, namely Fenland Hall and 11 Melbourne Road (known locally as The Base) and develop an associated Business case outlining potential future accommodation options.
- 2.4 In December 2021, FDC instructed Carter Jonas, via a competitive procurement process, to engage with key stakeholders and to produce a Strategic Outline Business Case (SOBC) to support the decision-making process in relation to the future of the corporate accommodation.
- 2.5 A Business Case develops over time and contains three key sequential stages, namely:
 - **Strategic Outline Business Case** (SOBC considered by Cabinet in September 2023)
 - **Outline Business Case** (OBC currently being considered by Cabinet, September 2024)
 - **Full Business Case** (FBC) (anticipated to be complete by Spring/ Summer 25, assuming a preferred single option can be agreed)
- 2.6 A report containing the FBC in Spring/ Summer 25 will enable Members to make a final decision, committing the organisation to the implementation of the agreed option in respect of the future Accommodation of the Council.
- 2.7 During the Cabinet meeting of September 2023 Members considered the Strategic Outline Business Case report (SOBC) in respect of the Corporate Accommodation Review.
- 2.8 The SOBC considered a range of accommodation options to identify potential solutions, in line with the principles of the adopted Asset Management Plan, in addition to positively support the Council's Transformational Strategy.
- 2.9 The SOBC identified a long-list of potential property solutions that were subject to financial and non-financial assessments to identify which solution delivered the most amount of benefits for the lowest cost.
- 2.10 The SOBC Report resulted in approval to proceed to the next stage of the process, namely the production of the Outline Business Case (OBC) in respect of the short-listed Options 1 and 4. Option 1; which was to do the minimum, namely to continue to occupy Fenland Hall undertaking all the essential maintenance of the building and Option 4; Relocate to The Base and sell Fenland Hall. As a result of the Initial assessment a short list of 4 options has been identified and recommended for further exploration as part of an Outline Business Case (OBC).
- 2.11 A 'Do Nothing' option in respect of Fenland Hall is not a viable option as this approach may result in the building deteriorating beyond viable financial repair.

- 2.12 Members also agreed that Officers should engage with One Public Estate (OPE) colleagues in order to establish potential accommodation opportunities in respect of collocating with partners or utilising existing partner assets, therefore further supporting the development of a sub option(s).
- 2.13 The resulting Outline Business Case (OBC) explores various options available to the Council to identify the most cost-effective solution that delivers the most benefits to the organisation, its staff and customers.
- 2.14 In compiling the OBC there are a number of key estimated figures that have been used to inform the resulting financial assessments and it is worth highlighting those estimated figures are contained within Appendix 3 of the report, entitled, The Financial Case. These values are as per Carter Jonas appraisal Q4 2023 and are uninflated and undiscounted.

3 Recommendations

3.1 Members are asked the following:

- Note the content of the OBC.
- Agree to take forward the Option 1B iii or 1B iv in accordance with the recommendation from the Member led Accommodation Review Steering Group
- Progress to develop a Full Business Case (FBC) in respect of either Option 1B iii or 1B iv
- Delegate to the Leader of the Council and the Member Accommodation Review Steering Group in consultation with key officer(s) to decide which of the two agreed options to progress to FBC based on financial figures that are awaited.
- Delegate to The Corporate Director and S151 Officer in conjunction with Assistant Director and Head of Property to enter into negotiations in respect potential lease costs and terms in addition to the potential purchased costs and associated terms.
- Delegate to The Corporate Director and S151 Officer in conjunction with The Leader of the Council the decision to award the development of the FBC to an external specialist consultant
- Delegate to The Corporate Director and S151 Officer in conjunction with the Leader of the Council the decision to agree the funding to support the appointment of an external specialist consultant to develop the FBC in respect of the preferred option arising from the OBC.

Wards Affected	All
Forward Plan Reference	Accommodation Review - KEY/17MAY23/01
Portfolio Holder(s)/ The Member Steering Group	Cllr Benney Cllr Boden Cllr Mrs Davis Cllr Mrs French Cllr Tierney
Report Originator(s)	Anna Goodall – Assistant Director
Contact Officer(s)	Paul Medd – Chief Executive Peter Catchpole – Corporate Director Anna Goodall – Acting Assistant Director
Background Papers	Proposed Operating Model Report (Cabinet March 23) Exempt Accommodation Review Report (Cabinet September 23) Combined OBC appendix report produced by Carter Jonas (attached)

1 Reasons for Exemption

- 1.1 This Report is NOT FOR PUBLICATION in accordance with paragraph 3, Schedule 12A of the Local Government Act 1972 in that it contains information relating to information relating to the financial or business affairs of any particular person (including the authority holding that information). The public interest test has been applied to the information contained within this exempt report and it is considered that the need to retain the information as exempt outweighs the public interest in disclosing it.