

**HQ Relocation Project - Committee Briefing Paper**

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**1. Summary of Executive's 20 April 2016 decisions:**

- 1.1 Approval of the LLP's proposed development strategy, the essential elements of which were:
- (a) The sale of the Riverside House site for housing, allowing the Council to vacate the site and relocate to a new HQ after completion of that building.
  - (b) The construction of a new Council-owned HQ office building on the Covent Garden car park site funded by the receipt of sale of the Riverside House site and enabling development at the Covent Garden car park site.
  - (c) The decommissioning of the current surface car park and the demolition of the existing multi-storey car park at Covent Garden and the provision of a new council-owned multi-storey car park funded by the Council.
  - (d) The delivery of the project by the Council's LLP ("PSP Warwick LLP").
  - (e) The delivery of the project to be in two Phases; 'Phase 1' being the current feasibility work; and 'Phase 2' being the full implementation of the project (If approved next year);
- 1.2 Noting that the final decision to commit to Phase 2 of the project would be made by the Council in 2017;
- 1.3 Delegating authority to enter into legal agreements between the Council, the LLP and PSP (Public Sector PLC – our joint partners in the LLP), including a 'Project Agreement' between the Council, the LLP and PSP, and a 'Conditional Option Agreement' from the Council to the LLP in respect of the Riverside House site;
- 1.4 Agreeing the establishment of a new Member Reference Group, to (i) provide guidance to officers as the project develops, (ii) co-ordinate community and stakeholder engagement, and (iii) agree the terms of the planning applications to be submitted by the LLP in respect of the development proposals for the Covent Garden and Riverside House sites.

**2. Phase 1 work undertaken since April 2016:**

- 2.1 Legal:
- The overarching 'Project Agreement' between the three parties has been completed.
  - The 'Conditional Option Agreement' to purchase the Riverside House site has been granted to the LLP.

- A procurement compliant legal structure model for taking the project forward is now being developed.
- The Phase 2 (project implementation) legal agreements are currently being negotiated, for reporting back to Executive in July.
- Specialist tax advice in respect of the above emerging legal models is being sought, on behalf of both parties.

## 2.2 Funding:

- The LLP has allocated the agreed Phase 1 project budget of £1.175m.
- The Council's own Project Manager is in post and being funded by the approved £53k project budget.

## 2.3 Design:

- The LLP has instructed a full professional design team to take the project forward to the end of Phase 1.
- Detailed design feasibility work is being undertaken by the LLP. This has included:
  - Completing a full range of surveys for both sites. This has identified a range of development constraints, especially on the Riverside House site. The Design Team is endeavouring to accommodate these constraints as part of its emerging work.
  - Architectural designs for the proposed new developments at Covent Garden (i.e. the new HQ offices; the new multi-storey car park; and residential apartments).
  - Internal layout designs for the new Council HQ offices, and car park.
  - Master-planning and residential development design option testing for the Riverside House site
  - Detailed cost estimates for all of the above.

## 2.4 Planning:

- Working up: (i) a detailed planning application proposal for Covent Garden; and (ii) outline proposals for the Riverside House site for submission in early 2017.
- Formal 'pre-application' discussions have taken place with: (i) This Council's planners; and (ii) the County Council's Highways Section.
- A meeting of the Members Reference Group will be held prior to the finalisation of the two separate (albeit linked) planning applications.

## 2.5 Viability Assessments:

- The LLP has had private 'soft market' discussions with housebuilder developers for the residential elements of the overall proposals.
- The emerging projected 'capital receipt' and 'development costs' estimates are being inputted into an emerging project viability model.
- This is being finalised and will be compared for consistency against the LLP's original 'E2' estimates set out in the 20 April Executive report.

## 2.6 Governance:

- This project is being managed by the following formal structures:

### LLP:

Members Board (3 x WDC Members & 3 x PSP).  
Operations Board (WDC officers & PSP)  
Project Board: Chaired by Bill Hunt.  
Project Monitoring Group.  
Project Design Team.

### Council:

Executive  
Members Reference Group.  
CMT (as the Council's Project Board).  
Officers forming part of the LLP groups above.

## 2.7 Programme:

- **Appendix One** sets out the indicative programme endorsed by Executive last April.
- However, the April report set out a number of scenarios for possible slippage and one of these appears to now coming into play. A verbal update will be provided at the meeting but there is a possibility that the office opening date might slip from Dec 2018 to Mar 2019.

## 2.8 Risk analysis:

- The Project Board maintains a detailed risk register. This includes risks for both the LLP and WDC.
- WDC maintains its own Risk Register. The latest version of this is attached as **Appendix Two**. The scoring criteria applied is attached as **Appendix Three**

## 3. Community and stakeholder engagement:

- A Development Review Forum will be held prior to the submission of the planning applications.
- A public exhibition will be held in the Royal Priors shopping centre and consultation will be held with the following groups:
  - Leamington BID
  - Leamington Town Council
  - Leamington Chamber of Trade.
  - Leamington Society
- In additions to briefings for WDC members, briefings will be offered to LTC and WCC members and the local MP.
- A media briefing will be held prior to the submission of the applications.

Duncan Elliott  
HQ Relocation Project Manager