

	<b>Council 20<sup>th</sup> April 2016</b>	<b>Agenda Item No. 12</b>
<b>Title</b>	Council HQ Relocation and Replacement Covent Garden Car Park Project	
<b>For further information about this report please contact</b>	<p>Bill Hunt Deputy Chief Executive 01926 456014 <a href="mailto:bill.hunt@warwickdc.gov.uk">bill.hunt@warwickdc.gov.uk</a></p> <p>Duncan Elliott Senior Project Coordinator 01926 456072 <a href="mailto:Duncan.elliott@warwickdc.gov.uk">Duncan.elliott@warwickdc.gov.uk</a></p> <p>Mike Snow Head of Finance 01926 456800 <a href="mailto:Mike.snow@warwickdc.gov.uk">Mike.snow@warwickdc.gov.uk</a></p> <p>Sian Stroud Senior Solicitor Warwickshire Legal Services 01926 418198 <a href="mailto:sianstroud@warwickshire.gov.uk">sianstroud@warwickshire.gov.uk</a></p>	
<b>Wards of the District directly affected</b>	Leamington Clarendon	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>	30 September 2015, Executive Minute numbers 50 and 55	
<b>Background Papers</b>	Executive 10 February 2016 –Multi Storey Car Parks Condition Survey; Executive 30 September 2015 – Council HQ relocation project, Part A and Part B reports; Executive 3 December 2014 – Council HQ relocation project – update report; Executive May 2104 – Council HQ Relocation Project – Update Report. Executive Mar 2014 – Relocation of the Council’s HQ offices, Parts A and B and Addendums; Executive Dec 2012 – Proposed Regeneration LLP, Parts A and B; Executive May 2012 – Feasibility Study of Leamington Assets, Parts A and B; Executive Feb 2011 – Feasibility Study of various WDC assets in Leamington; Executive June 2010 – Customer Access in Leamington; Executive April 2010 –	

	Accommodation Review.  EC Harris Asset Optimisation feasibility study report and background working papers, 2010/11; Accommodation Review background working papers 2010; One Stop Shop background working papers 2009
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<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	Yes
<b>Included within the Forward Plan? (If yes include reference number)</b>	No
<b>Equality and Sustainability Impact Assessment Undertaken</b>	No
Impact assessments will be undertaken and addressed during Phase 1 of the Project	

<b>Officer/Councillor Approval</b>		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Chief Executive/Deputy Chief Executive	11.04.16	Bill Hunt - Author
Head of Service	11.04.16	n/a
CMT	11.04.16	Chris Elliott, Andrew Jones
Section 151 Officer	11.04.16	Mike Snow
Monitoring Officer	11.04.16	Andrew Jones
Finance	11.04.16	Jenny Clayton
Portfolio Holder(s)	11.04.16	Councillors Mobbs, Cross, Shilton, Whiting
<b>Consultation &amp; Community Engagement</b>		
Subject to the recommendations in this report being approved there will be extensive community engagement during the Phase 1 work referred to within the report		
<b>Final Decision?</b>	Yes	
<b>Suggested next steps (if not final decision please set out below)</b>		
Whilst this is a final decision in respect of the recommendations within this report there will be a further report presented to members at the end of Phase 1, seeking approval for Phase 2 and the commitment of Council funding to the project budget, as described in recommendation 2.5.		

## 1. SUMMARY

- 1.1 Executive and full Council have received a series of reports, over a period of years, examining the principle of a relocation of the Council's HQ offices from the current Riverside House site. The current HQ building is larger than the Council needs, costly to adapt to facilitate modern ways of working, difficult to modify to generate revenue savings and in need of considerable capital investment that is currently unfunded. The previous reports, therefore, considered how relocation could assist the Council to deliver a number of complementary objectives: the realisation of revenue savings already built-in as commitments within the Council's Medium Term Financial Strategy; the avoidance of future, unfunded, capital investment in the current building; the use of a relocation to support the local economy and/or stimulate new development within Leamington; redevelopment of the Riverside House site as a brownfield housing development as included within the modified Local Plan; and to ensure the Council has an HQ asset that is fit for purpose and able to support service delivery in a rapidly changing environment.
- 1.2 Since its inception and initial approval by members, the relocation project has been progressed by officers working in conjunction with the Warwick Limited Liability Partnership (LLP). The LLP, formally the PSP Warwick LLP, was established by the Council in 2013 as a joint venture vehicle with Public Sector Partnerships (PSP) in order to assist the Council to manage and develop its asset portfolio and to unlock complex regeneration and development projects such as this one. Further information on the LLP is contained within section 8 of this report.
- 1.3 In September 2015 Executive examined a shortlist of potential relocation sites within Leamington, including an option of refurbishing the existing HQ building, and determined that its preferred option was the comprehensive redevelopment of the current site of the Council's Covent Garden car parks (surface and multi-storey) which would include the construction of the Council's new HQ offices and new car parking in lieu of the existing provision. Executive agreed that the LLP should undertake a detailed feasibility and viability assessment of the preferred option with a further report on the outcome of these studies, including an external validation of the LLP's proposals, being brought back to members. It should be noted that the relatively recent requirement to consider the replacement of the Covent Garden multi-storey car park has added another key dimension and focus to this overall project.
- 1.4 Attached is the report to Executive entitled "Council HQ Relocation and Replacement Covent Garden Car Park Project" (Part A, public report). This Report sets out the outcomes of those detailed assessments and proposes that the project should be approved and progressed to a delivery phase. It also includes a request for temporary project resource to work with the LLP on the next stages of the project, in accordance with the principles underpinning the new structure for project management, as approved by Employment Committee in March. Additionally, it is proposed to establish a members' reference group to oversee the next stages of the scheme.
- 1.5 Council is asked to note the Executive report because what is proposed is a major project for the Council and the local community, and in addition there are financial implications for the Council if it were to decide, at a later date, that it did not want to proceed with the project in the terms outlined in the Executive report.

- 1.6 There is also a private and confidential Part B report to the Executive on the same item, which explains the legal and commercial considerations in more detail.

## **2. RECOMMENDATIONS**

- 2.1 That Council notes the Executive Report of 20 April 2016 entitled "Council HQ Relocation and Replacement Covent Garden Car Park Project" and the recommendations therein;
- 2.2 That Council agrees to accept the potential liability for the expenditure associated with Phase 1 of the Project up to a maximum sum of £1,175,000 in the circumstances where the Council unilaterally withdraws from, or varies the terms of, the project, as further described in the Executive Report.

## **3. REASONS FOR THE RECOMMENDATIONS**

- 3.1 Please refer to Executive Agenda of 20 April 2016, Item 2 – Council HQ Relocation and replacement Covent Garden Car Park Project – Part A report.