

Report of the Assistant Director: Property Services

Hungate Council Headquarters Briefing Report

Summary

1. The purpose of this report is to brief the Shadow Executive on the progress made since the withdrawal of the planning application and to inform of future intentions regarding a project review.

Background

2. The case for the Council HQ remains as compelling as before. The key project benefits are:
 - Rationalisation of the council's current administration accommodation portfolio which is anticipated to cost over £140m over the next 30 years.
 - A fully integrated York Customer Centre providing customers a single contact centre to enable all services to be accessed in one place, quickly, simply and effectively.
 - A city centre location that is accessible to all customers and citizens of York. Located in an area of regeneration with existing infrastructure and transport links providing access for staff. Maintaining the council's contribution to the economic well-being of the city through its employment of c.1400 employees in a central location.
 - A modern office environment, which supports an open interactive culture and facilitates flexible working styles, aids recruitment, staff retention and contributes toward reducing staff absence.
 - Compliance with current legislation in terms of Disability Discrimination Act in providing buildings and services that are accessible to everyone.
 - An accommodation solution that is sustainable in terms of economic, social and environmental impact, supported through three main targets: A score of "Excellent" under the British Research Establishment Environmental Assessment Model (BREEAM), to better Building

Regulations CO2 emissions requirement by 30% and to include 20% on site renewable energy generation.

- A building that is effective and efficient to enable the delivery of excellent customer services and unlock the efficiency gains identified as part of the Gershon agenda.
 - Inward investment to the city to a value approximately £50m.
 - The opportunity to release a number of important historic buildings, for example, St Leonard's for restoration and more appropriate use.
 - Provide a significant lever towards improving the Council's CPA rating through new corporate working arrangements.
 - Contribute towards the Council's overall value for money assessment.
 - Supports the reorganisation of the York Ambulance Service through the provision of land at the Yearsley Bridge site
3. Given the formal response from English Heritage and the decision to withdraw the planning application there needs to be a review of 2 key issues:
- The sites in the City that could accommodate the HQ building appraised against the criteria for the project. Hungate would be one of those sites
 - The feasibility of schemes that could achieve the council's aims taking into account the lessons learnt from the project so far
- (This process is set out diagrammatically in a Annex A)
4. There is a need to move as quickly as possible on this work but this has to be balanced by the need to ensure that a workable solution is found. Site and scheme appraisals will involve detailed work which will inevitably take some time. The annex B and exempt annex C showing the revised Action Plan gives the time frame for the immediate actions being undertaken. A more detailed plan will follow.
5. There is clearly a need to connect with a range of stakeholders in the City about the rationale for a new Council HQ and the reasons for a city centre location. There is also a need to demonstrate a more open and inclusive process which ensures that the opinions of different stakeholders are voiced, heard and taken into account. To that end it is proposed to set up a Consultation Forum as quickly as possible.
6. There will be a fuller report to the Executive on 9th September and there is a need to ensure that members remain fully engaged in the decision making process. Council Management Team will also be taking an active role in progressing the project and a series of meetings have been set up for the remainder of the year.
7. The planning application for the new Council HQ in the Hungate Redevelopment Area was withdrawn in a letter from RMJM to the City

of York Council on the 11th July 2008. This followed a period of consultation and receipt of a formal response from English Heritage.

8. The letter from English Heritage summarised their response as follows: *“Despite several meetings to discuss the emerging proposals English Heritage remains concerned that the building, by reason of its height and massing cannot be developed without harming the setting of the cluster of historic buildings and spaces around it. In summary, we object to the present proposal.”*
9. The letter also included: *“We consider that the building proposed could be a very impressive, sustainable, fit-for-purpose, civic building but that in the location and site area proposed it will cause harm to the established historic environment.”*

Action to date

10. A meeting was held by the Chief Executive and the Director of City Strategy with the Regional Director of English Heritage on Friday 10th July 2008.
11. The Project team briefed the Chief Executive, CMT members and the planning team on Monday 13th July 2008 with regard to possible sites that may be considered as part of a review of council options. This included the Hungate site, a number of sites previously considered and still available (both in the council’s ownership and private ownership) and following informal discussions with landowners and developers, some new possibilities.
12. A private briefing was given to the Executive on Tuesday 14th July 2008.
13. Further discussions were had at the Corporate Monitor with Executive on 21st July 2008.
14. A financial analysis was prepared by the property team to show expenditure and commitment to date and this is at annex D to this report (This information has been shared with the Press). It is not possible at this stage to identify how much of these costs are abortive. This can only be determined once a new solution has been chosen, it will however be incorporated into any new option analysis.
15. The business case and financial model have been reviewed to understand the base position against which all future decisions will be re-modelled and considered.
16. A review has been undertaken of the project management process and the roles of partners to date, including an understanding of the council’s legal and contractual position with regard to all of its’ partners in the event of terminating the project or changing the delivery

mechanism. This was presented to the project board on the 24th July 2008.

17. There is also an ongoing review of the project management arrangements to consider what additional support may be needed to take the project forward. This will include an analysis of the impact upon other planned work within the council and those other projects linked or dependant upon the Council HQ outcomes and timescale.
18. In terms of project governance the Chief Executive and Executive have given a clear commitment to greater ownership and support for the project and project team. A number of briefing meetings have been included in diaries to support this approach.
19. The review has enabled the council to consider 'lessons learnt' particularly those relevant to 'consultation' and to prepare future strategies. It is therefore proposed to set up a 'consultation forum', experts and facilitators, and improved working relationships with English Heritage. Further work is to be undertaken on a communications and engagement strategy for the 'external audience'.
20. The Project Team has undertaken a high level analysis of the long list of potential sites available to the council. This exercise has highlighted the small number of site options likely to be available for a more detailed analysis in the coming weeks. The criteria used to undertake this piece of work included availability, deliverability, accessibility, comparative financial consequences and risk.
21. A schedule has been attached giving details of the actions, responsibility, target dates and progress to date.

Future actions

22. To present this briefing note to Group Leaders on 15th August 2008.
23. The Chief Executive, Leader of the Executive and Project Champion to meet with RMJM Architects on 19th August 2008 to consider appropriate actions necessary to move the project forward and meet the Council's objectives.
24. The Chief Executive, Leader of the Executive, Project Champion and RMJM to meet the Regional Director of English Heritage on 19th August 2008, to discuss working relationships and principles to be adopted to enable an appropriate way forward for the project.
25. To establish a number of meetings with Architects, Planners and English Heritage to determine the level of acceptable development appropriate to Hungate and to support the initial option analysis work being undertaken by the project team.

26. The Project Team, with support from Legal Services, to prepare 'Terms of Reference' for a 'Consultation Forum'.
 - a. Further discussion to be had regarding the parties to be invited to this forum, including input from English Heritage.
 - b. To appoint an external 'Facilitator' to the forum.
 - c. To ensure that the forum is fully informed of the council's objectives, expectations and working parameters for the new HQ
 - d. Clarity of Role and an understanding that this is not a decision making group.
 - e. To establish at which points in the process of progressing this project the forum's views and comments will be sought.
 - f. To determine how the council will respond openly and explicitly to the views and issues raised by the forum
27. To consider the use of 'Experts' in the fields of Architecture, Planning and Communications to provide high level external support and advice to the Council.
28. To seek approval from Chief Executive, CMT and members to establish the Consultation Forum, use of 'Experts' and the development of a communications and engagement strategy.
29. To conclude the high level appraisal of site options and seek approval to undertake a more detailed analysis and outline feasibility of sites/schemes prior to establishing a number of 'scheme options' for further detailed feasibility, comparison and analysis. (See attached Option Review Process)
30. To review, develop and prioritise evaluation criteria for the scheme option analysis.
31. Review Financial Model and prepare for option analysis (this includes recruitment of Interim Finance Officer to support this process)
32. Undertake detailed analysis of site/scheme options, including outline feasibilities and revised cost model.
33. Complete review of resources to support the Council HQ project, other linked and dependant projects and those other areas contributing to organisational transformation. Undertake appropriate recruitment of Interim Managers.
34. To respond to initial enquiries for information to support Scrutiny topic – Council HQ
35. To present a more detailed report to the Executive on 9th September 2008.

36. Further reports to CMT and Executive regarding option analysis and selection of preferred scheme.

Continuing work

37. Land Assembly: Continue with the vacation and demolition of the Ambulance Station; Continue with archaeological investigations; Establish and agree transition timetable for the Peasholme Hostel; Plan for the demolition of the existing hostel and to undertake necessary archaeological investigations; open discussions with local landowners and developers regarding available property to support scheme options.
38. Property Exit Strategy: Discussions with Rushbond regarding the possibility of extended use of St. Leonard's; Initial contact with other Landlords on leased buildings; Continuing with disposal strategy, particularly Yearsley Bridge and Blake Street.
39. Design and Construction: To maintain contact with Crosby Lendlease, DEFRA, Black Swan, NEDL regarding the current position, relationships and future progress.
40. ICT: Continue to liaise with Managed Service procurement exercise.
41. FM Strategy: Continue with recruitment of FM Workstream Manager and FM Advisor; Review of implementation plan pending selection of preferred solution.

Communications

42. Review the current communications strategy and prepare appropriate releases for the benefit of Members, Staff and the public.

Corporate Priorities

43. The provision of new accommodation and the consequential improvement in services to our customers will contribute to all of the council's priorities.

Implications

44. There are no financial, legal or other implications from this briefing report. The implications of the ongoing review of the Council HQ project will be outlined in the report to the Executive on 9th September 2008.

Recommendations

45. Members of the Shadow Executive are requested to note and comment upon this briefing report.

Author: Neil Hindhaugh
Property Services
Tel: (01904) 553312
Email: neil.hindhaugh@york.gov.uk

Chief Officer Responsible for the report:
Bill Hodson
Acting Chief Executive and Director of HASS
Tel: (01904) 554000
Email: bill.hodson@york.gov.uk

Specific Implications:

Legal: Quentin Baker

Wards Affected: All

Report Approved



Date 15th August
2008

For further information please contact the author of the report

Background Papers

None

Annexes

Annex A – Options Review Process

Annex B – Accommodation Project Review – Action Plan

Annex C – EXEMPT - Accommodation Project Review – Action Plan

Annex D – Expenditure to Date

