



Audit & Governance Committee

29th June 2009

Report of the Director of City Strategy

Accommodation Project

Background

1. A strategic review of the council's administrative accommodation completed in early 2004, set out a long-term accommodation strategy to respond to the future business needs of the council in providing effective and efficient customer services. The outcome of the review recommended a rationalisation of the current accommodation portfolio to include the provision of a new headquarters building incorporating a one-stop customer contact centre.
2. Consequently, the council embarked on a project to relocate the majority of the council's administrative accommodation to a single site and release the existing properties onto the market to fund the new accommodation from a mix of capital receipts and prudential borrowing against the existing lease costs.
3. A design was developed using a partnership approach and a planning application submitted in early May 2008 for a new office headquarters building at the Hungate site. The planning application was subsequently withdrawn by the council following adverse comments from English Heritage indicating that they would be unable to support the development in its published form.
4. After due consideration the council embarked on a competitive dialogue procurement process to identify potential sites within the city centre that could meet the council's requirements. The process commenced in December 2008 and, following a full evaluation exercise, five developers were invited to participate in a competitive dialogue process to submit initial designs for consideration.
5. Two bidders have now been invited to enter into a further stage of dialogue with the council and submit their detail solutions by mid July 2009. Following a further period of evaluation, each bidder will be invited to submit a final tender for their scheme by September 2009. The successful bidder will be announced by the end of 2009. The full procurement process is attached at annex A.

Project approach to risk

6. The accommodation project is managed within a project management framework adopting the principles of the well-established PRINCE 2 project management methodology. This was a key component of the accommodation project Business Case approved by Members in November 2005.
7. The main features of the methodology include a modular planning approach with the project divided into manageable and controllable stages with a clearly defined organisational structure led by the project board made up of key directors and assistant directors representing each directorate. The board is responsible to the Corporate Management Team for the overall direction and management of the project within the parameters of the approved business case. Matters of policy or strategic interest, or those that fall outside the business case, are directed to the Executive for discussion and/or approval. The risks are reviewed weekly and project board receives risk reports on a monthly basis.
8. The major controls for the project include the approved business case, project plan, risk register, issues log, exception reports and end of stage assessments. The project risk register is maintained on Magique, the council's corporate risk reporting system. This provides full reporting and traceability of the projects risks.

Key Project Risks

9. The key risks identified at this stage relate to the procurement and planning processes to deliver a new headquarters building.
10. Although it will be the responsibility of the selected developer to obtain planning permission, the council will remain holding a significant proportion of this risk in the event of any planning issues. The developer is required to produce a risk register specific to their scheme that will form part of the evaluation process. The selected developer will be required to maintain and develop this further throughout the life of the project and report the most significant risks on a monthly basis for input to the overall project risk register.
11. The projects top risks are included in Annex B.

Contact Details

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Report Approved Date

Specialist Implications Officer(s) Not applicable

Wards Affected Not applicable

All

For further information please contact the author of the report

Annexes

Annex A Procurement timetable
Annex B Accommodation risk report