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## Audit and Governance Committee

19<sup>th</sup> April 2011

Report of the Accommodation Project Manager

### The New Council Offices – Update Report

#### Summary

- 1 This report responds to a request by the Audit & Governance Committee for an update on the progress on the accommodation project.

#### Background

- 2 The accommodation project, and the move to new offices at West Offices, is a key component of the council's 'More for York' improvement and efficiency programme. The project remains on track to be delivered within the approved capital budget of £43.8m and is scheduled for staff occupancy commencing in December 2012. The building is expected to be fully operational before March 2013.

#### Information

- 3 Planning permission for the West Offices scheme was formally granted on the 28<sup>th</sup> June 2010 followed shortly afterwards by the granting of listed building consent on the 10<sup>th</sup> August 2010.
- 4 The developers and the accommodation team then worked closely together to ensure the design and specification would meet the imposed planning conditions.
- 5 The council and the developers agreed the final specification clearing the way for the appointment of the building contractor, Miller Construction, and purchase of the site by the council and the start of construction at the beginning of 2011.
- 6 Miller Construction have now commenced work on the site with the erection of the security fencing, the establishment of the site accommodation, the clearance and demolition of the buildings that are not part of the new design. The works are currently on programme.
- 7 The space planning process and the business needs analysis has commenced with the aim to establish a block space plan showing the provisional space allocations for each service area across the entire accommodation property portfolio by the end of September 2011.
- 8 The property exit strategy has now substantially completed the re-negotiation of the existing property leases which have been aligned with the revised timescale of the

## Annex G.

developer scheme. Work is continuing to develop exit strategies to maximise the value of the owned properties.

### Key Risk Comments

- 9 Risk 1315. *Developers are unable to meet the requirements of the brief.*

The work on site is monitored through a monthly report issued by the project's development monitoring surveyor. This includes information on the progress to date; any change request proposals, from either party; requests for information; and an update on the progress in discharging the planning and listed building consent conditions. In addition, a design approval process has been established to allow the council to comment on drawings prior to construction issue.

- 10 Risk 1821. *Failure to discharge the planning conditions*

This is monitored and actioned through the monthly monitoring surveyors report. See risk 1315

- 11 Risk 0293. *Dilapidations liabilities are higher than budgeted.*

Property continue to monitor this and last year negotiated an extension to the lease of the 10/12GHs property which included a fixed sum for the dilapidations. The cost of dilapidations was contained within the allocated budget.

Negotiations are underway with the landlord of the Swinegate East property with the intention to agree a cash settlement in lieu of the dilapidations.

- 12 Risk 0351. *The organisation fails to implement the corporate change agenda.*

The accommodation project cannot control this risk but acknowledges that the failure to implement the change agenda could significantly affect the operational efficiency of the building.

The actions are limited to advising the council management of the impacts on the project if the change agenda is not implemented in line with the original project business case.

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