

PLYMOUTH CITY COUNCIL

Subject: Civic Centre Redevelopment Project
Committee: Support Services Overview & Scrutiny Panel
Date: 1 October 2012
Cabinet Member: Cllr Lowry
CMT Member: Director for Place
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Key Decision: No
Part: 1

Purpose of the report:

This report provides an update for the Support Services Overview and Scrutiny Panel on the progress of the Civic Centre Redevelopment Project.

In 2011 Cabinet agreed that the Council would continue to explore the opportunity for Freehold disposal as part of the Competitive Dialogue process. Subject to this not being possible it approved a proposal for the redevelopment of the Civic Centre to be put out for an Official Journal of the European Union (OJEU) procurement with a view to the Council taking a lease-back of reduced space in a refurbished Civic Centre. Approval has since been given to extend the scope to being able to take accommodation in alternate city centre premises.

The Council has decided that in order of preference, a freehold disposal with a clear and enforceable re-development obligation followed by a sale and part lease-back of part of the premises or alternate city centre accommodation are the most cost effective solutions provide the best balance between need, risk and value for money.

The Civic Centre Redevelopment Project is dealing with the disposal of the site based on the above approvals. The tender process will be conducted with the adoption of the Competitive Dialogue Process (CDP) in accordance with the latest OJEU legislation. The reason for this route is because the Council needs to consider all possible options for the sale and long-term effective renovation of the Civic Centre building and requires a positive enforceable obligation on the private sector to undertake the agreed redevelopment.

Corporate Plan 2012-2015:

The Council's revised Corporate Plan stresses the need to focus more strongly on the growth agenda. The sale and redevelopment of the Civic Centre will be a driver for growth within the city. It is also a cornerstone of the Council's plans to deliver on the priority to provide value for communities in terms of maximizing resources to benefit customers and secure corporate efficiencies.

The Council is working towards making the most of its assets in its drive to become more efficient and effective – both through the accommodation strategy and rationalisation of Council's property estate. The delivery of the Civic Centre disposal is integral to the Council being able to deliver budget savings.

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land**

The resolution of the future of the Civic Centre:

- Will reduce running costs for the Council once relocated
- Will contribute to the growth agenda and provides value for money for communities by supporting other corporate priorities in reducing the cost of the property estate to the Council, thus freeing up finances for front line services
- Links to the Council's Accommodation Strategy and forms part of the Council budgetary delivery plans for the next three years
- Will remove the liability of backlog maintenance and increased maintenance liability for the future
- Will provide improved more energy efficient accommodation for the Council

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety, Risk Management and Equality, Diversity and Community Cohesion:

Health and Safety and Risk Management:

Disposing of the Civic Centre will remove a serious Health and Safety risk. Doing nothing and maintaining the building in its current state requires a significant investment to ensure structural stability.

Recommendations & Reasons for recommended action:

None

Alternative options considered and reasons for recommended action:

Alternative options were considered prior to the decision to dispose of the Civic Centre – see background papers.

Background papers:

Future of Civic Centre – Cabinet paper Part I & Part II 23 August 2011

Sign off:

Fin		Leg		HR		Corp Prop		IT		Strat Proc	
Originating SMT Member											
Have you consulted the Cabinet Member(s) named on the report? Yes											

1.0 Introduction

The Civic Centre and Council House were Grade II listed in 2007 by the Department of Culture Media & Sport.

Initial legal advice was taken to determine if there were grounds for a challenge of the listing. Advice from Counsel was that there were no grounds on which to mount a challenge.

A feasibility study was commissioned jointly with English Heritage to look at the options for the building given its listed status. This was completed in April 2010 and resolved that the building could be sufficiently repaired to give a further 50 years life, but at considerable cost. It also concluded that there were alternative uses for the buildings as either office, a hotel or residential use. These options are supported in planning terms.

As part of the Accommodation Strategy the Council has established its current and future office accommodation requirements and has concluded that it does not need the full current office capacity provided by the Civic Centre alongside its other Freehold owned office estate. A decision was reached to soft market test the Civic Centre site in October 2010 for Freehold disposal.

Expressions of interest were requested by January 2011. A significant response was received with a range of alternative uses. Each of the interested parties required the City Council to take out long leasehold interest in new or refurbished accommodation. None of the proposals matched the Council's projected requirements in terms of quantum of office accommodation.

A thorough appraisal was carried out on five different options considering financial benefit, risk of delivery and best match with service and accommodation needs. All of the options included keeping the Council House as freehold owned as there was clear indication from the earlier marketing exercise that an alternative use for that building is not practical. The decision has now been taken that the Council House is therefore out of scope.

The Council has decided that in order of preference, a freehold disposal with a clear and enforceable re-development obligation followed by a sale and part lease-back of part of the premises or alternate city centre accommodation are the most cost effective solutions provide the best balance between need, risk and value for money.

2.0 Current progress

A Bidder's Day was held on 5th September 2012 in the Guildhall. A wide spread of disciplines were present; property developers, construction, project management, architects, surveyors and funders. The feedback received so far on the day has been positive.

The project has now moved into the next stage - the "Pre-Qualification Stage". This is where the financial strength and technical capability of those who wish to tender is tested. A Notice was issued by the European Journal (OJEU) and Pre-Qualification responses are to be returned to us by 12 October. Responses will be evaluated and the 4 highest scoring taken through to the next stage – the Invitation to Submit Solutions.

The project is being run with a three stage Competitive Dialogue Process as shown in the diagram overleaf.



3.0 Timetable

The outline timetable is shown below:

Stage	Actual or Planned Date
Bidders Day	5 September 2012
OJEU Notice published	7 September 2012
Descriptive Document and PQQ issued	11 September 2012
Return of PQQ	12 October 2012
Inform bidders of outcome	22 October 2012
Competitive Dialogue opened and solutions invited (ISS document issued)	23 October 2012
Submission of solutions	18 January 2013
Bidders Presentation of ISS submission	21 January 2013
Close of competitive dialogue and Final Tenders sought	14 March 2013
Final tenders submitted	18 April 2013
Bidders presentation of CFT submission	19 April 2013
Preferred Bidder Selected	15 May 2013
Cabinet decision (indicative)	11 June 2013
Inform participants	11 June 2013
Contract Award	26 June 2013

A successful process culminating in the contract award will be followed by the statutory planning process by the preferred bidder, which could result in vacation of the office building by the council, to facilitate refurbishment/remodelling, in 2014.

4.0 Conclusion

The Support Services Overview and Scrutiny Panel are asked to note the process being followed by the Project Team for the sale of the Civic Centre.