



RECORD OF EXECUTIVE DECISIONS

The following is a record of the decisions taken at the meeting of **CABINET** held on **Wednesday 17 January 2018**.

The decisions will come into force and may be implemented from Monday 29 January 2018 unless the Corporate Overview and Scrutiny Management Committee or its Committees object to any such decision and call it in.

Aykley Heads Strategic Employment Site DCC Headquarters Full Business Case and Future options for the County Archive [Key Decision: ReaL/02/17]

Summary

The Cabinet considered a joint report of the Director of Transformation and Partnerships, the Corporate Director of Regeneration and Local Services and the Corporate Director of Resources on the future of Aykley Heads as a strategic employment site. The report affirms the potential for the site to attract high quality jobs to the county and proposes a masterplan to attract over 6000 jobs and sets out the implications of doing so for the site currently occupied by County Hall. The masterplan provides a unique opportunity to transform the economic prospects of the county as well as opportunities for the council to transform how it works in the future and how the heritage of the county is managed and celebrated.

The report is based on a robust Treasury green book methodology for determining value for money of complex projects and it included the production of a strategic business case, agreed by Cabinet in July 2015; an outline business case (OBC) agreed by Cabinet in July 2016 and a full business case (FBC), which was summarised in the report.

The conclusions of the report are:

- A Masterplan capable of attracting 6000 high quality private sector jobs to the Aykley Heads site has been developed which offers a once in a generation opportunity to enhance the economic prospects of the county.
- The Masterplan requires development on the footprint currently occupied by County Hall.

- The impetus to free up the County Hall site offers the Council an opportunity to transform how it works by downsizing to a more efficient building. The FBC concludes that moving to such a building in the city centre offers the most economically advantageous option to providing a civic and administrative centre over the next 35 years. The capital cost of moving to such a site is significantly less than maintaining and sustaining County Hall over that period whilst also demonstrating reduced running costs.
- In contrast to provision elsewhere in the country, County Hall contains the Archive and Record Office for County Durham and Darlington. The requirement to free up the County Hall site offers the Council an opportunity to bid for external funding to transform how we maintain our heritage for the next fifty years and to enhance access to and understanding of our social and industrial history.

Part 1: Proposed way forward on the Aykley Heads Strategic Employment Site:

Part 1 of the report describes the Masterplan for the Aykley Heads site, the employment sectors that the site would target, and, the demand for a commercial business quarter in Durham City. It explains how development of the site would help realise long-held regeneration plans for the county and complement current growth in areas such as NetPark, the Newton Aycliffe Industrial Park, sites adjacent to the A1 and A19 and Bishop Auckland. This section of the report concluded that Aykley Heads provides a unique opportunity in the region to achieve significant growth of 6000 jobs. Whilst further work is required on the precise delivery model, it also concluded that a model that delivers jobs and a long-term financial return to the council is feasible and that the council should move to bring this to fruition.

Part 2: Durham County Council Headquarters Final Business Case:

The requirements of the Masterplan as set out in Part 1 of the report mean that the site currently occupied by County Hall needs to be developed as part of the commercial business quarter to attract private sector jobs. A robust methodology has been applied to consider the most economically advantageous option for providing a civic and administrative centre for the council over the next 35 years. It concludes that moving to a smaller, more efficient building in the city centre would not only free up the opportunity on the current site to attract private sector jobs, but would be the most cost effective means of providing a council headquarters building. It summarises the procurement process which, though not yet complete, offers the opportunity to reduce running costs and downsize the administrative estate.

Part 3: Future options for the County Archive:

This section takes as its starting point the need to relocate County Hall, in which the County Archive is currently located. The archive's significant value as part of the county's heritage is explained in this section. Few councils locate their archive in their administrative headquarters and the service experiences significant constraints on customer service and future growth by its location in County Hall.

In visioning how the council's heritage could be protected and celebrated for future generations, a proposal has been developed to co-locate several heritage and cultural services in a prestige setting.

Whilst at an early stage of development, it is proposed that the proposal for a Durham History Centre is consulted on and that a Heritage Lottery Fund bid is submitted to significantly improve how the county's heritage is maintained and promoted.

Decision

Part 1: Proposed way forward on the Aykley Heads Strategic Employment Site

The Cabinet:

- a) noted the high-level options available to bring forward the delivery of the Strategic Employment Site and agree to receive a subsequent more detailed report on delivery arrangements in Summer 2018;
- b) noted the masterplan for Aykley Heads;
- c) approved the submission of an outline planning application for the Aykley Heads site;
- d) noted that the masterplan for Aykley Heads includes the development of the footprint currently occupied by County Hall.

Part 2: Durham County Council Headquarters Final Business Case

The Cabinet:

- a) endorsed the key findings of the FBC as set out in the report and the related Part B report:
 - i. noted that the detailed financial information is set out in the part B Cabinet report and that the Office Accommodation Capital Reserve is available to finance the project and the capital costs, on-going revenue costs and savings and one-off costs of the project will be incorporated into future MTFP reports.
 - ii. approved the outcome of the procurement process to select a Preferred Bidder and Reserve Bidder;
 - iii. agreed to delegate authority to the Corporate Director of Regeneration and Local Services and the Corporate Director of Resources in consultation with the Cabinet Portfolio Holder for Economic Development and Regeneration and the Cabinet Portfolio Holder for Finance to enter into a Pre Development Services Agreement with the Preferred Bidder;
 - iv. agreed to delegate authority to the Corporate Director of Regeneration and Local Services and the Corporate Director of Resources, in consultation with the Cabinet Portfolio Holder for Economic Development and Regeneration and the Cabinet Portfolio Holder for Finance, to enter into the Development Agreement for the new HQ following satisfactory planning approval provided that the Preferred Bidder achieves the council's requirements during the PDSA period.

Part 3: Future options for the County Archive:

The Cabinet:

- a) agreed to propose a 'Durham history centre' concept;
- b) agreed to consult stakeholders and interested parties on the proposal;
- c) authorised the Corporate Director of Regeneration and Local Services and the Corporate Director of Resources, in consultation with the relevant portfolio holders to continue negotiations with the relevant landowners;
- d) agreed to the submission of a funding application to the Heritage Lottery Fund, subject to the outcome of the consultation and negotiations;
- e) agreed to receive a further report on the detailed proposals for final consideration;
- f) noted the estimated capital costs as set out in the report will be included in future MTFP plans once they are finalised;
- g) noted that the on-going revenue costs of the history centre can be met from available resources;
- h) noted that the one-off costs set out in this report will be met from general reserve.

The Cabinet resolved to exclude the press and public by virtue of paragraph 3 Part 1 of Schedule 12A of the Local Government Act 1972 during discussions on agenda item 7.

Aykley Heads Strategic Employment Site DCC Headquarters Full Business Case Future options for the County Archive [Key Decision: ReaL/02/17]

Summary

The Cabinet considered a joint report of Joint Report of Director of Transformation and Partnerships, Corporate Director of Regeneration and Local Services and Corporate Director of Resources which set out the full business case for the proposed new headquarters.

Decision

The Cabinet approved the recommendations contained in the report, which mirror those in the Part A report as referred to above (agenda item 4).

Helen Lynch
Head of Legal & Democratic Services
19 January 2018

