

## **Cabinet**

**15 July 2015**

### **Update on Office Accommodation Programme and release of Aykley Heads Strategic Employment Site for Economic Regeneration**



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#### **Report of Corporate Management Team**

**Joint Report of Ian Thompson, Corporate Director, Regeneration and Economic Development and**

**Don McLure, Corporate Director Resources**

**Councillor Neil Foster, Cabinet Portfolio Holder for Economic Regeneration**

**Councillor Alan Napier, Cabinet Portfolio Holder for Finance**

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#### **Purpose of the Report**

- 1 To update Cabinet on proposals to release the Aykley Heads strategic employment site to deliver a regionally important regeneration opportunity that will provide new jobs and investment in County Durham.
- 2 To consider what steps the Council needs to take to secure a new office HQ and to progress this objective as part of the office accommodation programme.

#### **Release Aykley Heads for major investment**

- 3 The Aykley Heads site in Durham City benefits from a superb location with beautiful world heritage site views, excellent transport links being within 10 minutes' walk to a mainline rail station, and a strong interest base for example it has already demonstrated its ability to attract interest by successfully competing with other locations to attract Atom Bank.
- 4 The site has been identified as the main opportunity to attract private sector jobs and address the lack of a commercial business quarter within Durham City. Land is currently identified to provide a significant amount of office floor space to attract a range of occupiers who it is anticipated will be a mix of local, national, and international businesses. In addition, some ancillary facilities are also identified to reflect the opportunity to provide a high quality location that complements the surrounding environment.
- 5 Approximately 45% of jobs in Durham City are in the public sector including central government, health and local government services. This is unsurprising given that the city has historically been the administrative centre for County Durham. It is imperative therefore that this role is maintained and these public sector jobs are safeguarded where possible. Recent decisions by Her Majesty's Passport Office and National Savings and Investment have

seen over 1000 jobs safeguarded in the city and the potential for several hundred further jobs to be created.

- 6 The objective of attracting new private sector investment to County Durham will create opportunities for local people to access improved employment prospects and, as part of the overall vision for the city, new homes and associated infrastructure will ensure sustainable regeneration is delivered.
- 7 As a site, Aykley Heads is a business location of strategic importance within Durham City. Through the provision of a highly attractive location it is recognised as having the potential to deliver a major employment opportunity that will benefit the wider economy and support the rebalancing away from an over reliance on public sector jobs through private sector investment.
- 8 Durham City itself is an economic asset for the county: the city needs a critical mass of employment, a growing population and more visitors to build on its strengths and become a city of greater regional, national and international significance. A central business core and a housing offer that complements economic growth and associated transport, retail, leisure and green infrastructure provision underpins the approach. The forecasted increase in employment and resident population will in turn lead to unlock other developments in and around the city.
- 9 Evidence points to Durham City offering the best option to leverage private sector investment and support the growth of the employment numbers needed in the county. However, whilst Durham City would deliver a step change, it will also complement our approach in supporting growth and regeneration across all areas of the county.
- 10 Aykley Heads is already an established employment location. It is home to over 30 businesses in a range of professional and scientific sectors and has recently attracted accounting firm Mazars, the NHS and Atom Bank. This reflects the growth in professional and health service sectors projected for the North East strategic economic plan and the focus of national policy.
- 11 Market testing of the site has revealed a substantial demand for office space in Durham City and commercial agents reinforced this view and considered the lack of commercial space to be a barrier. Agents, developers and businesses consulted have all viewed the proposed Strategic Employment Site at Aykley Heads as a unique proposition, not only for Durham but also for the north of England.
- 12 Whilst there are a number of key employment sites around the City, these have largely reached capacity. Both Belmont and Meadowfield are nearing capacity less than ten years after being available to the market which is indicative of a solid demand for office space along the A1 corridor and especially Durham City.

- 13 A collation of commercial opportunity by Business Durham recorded 9 office enquiries for Durham City in 2012/13 specifically and reported a marked increase in 2013/14. This upward trajectory continued into 2014/15 with some specific reference to Durham City. Examples of the enquiries received include:
- (a) 55,000 sq.ft requirement for an insurance firm on Aykley Heads
  - (b) 1-10,000 sq.ft back office finance operation for a national company
  - (c) 90,000 sq.ft health related project
  - (d) 10,000 sq.ft accountancy firm
- 14 It is therefore fair to suggest that the development of Aykley Heads would enable opportunities to maximise private sector employment to the benefit of the immediate area and wider Durham County. Current employment projections for the site range between 2,500 and 6,000 new private sector jobs. The variation in the figures relates to the land that is identified for development within the County Durham Plan where we are forecasting potentially 6,000 new jobs, with a caveat that should a wider development not be supported at this point, then a reduced site could be developed with potentially 2,500 new private sector jobs being created.
- 15 To enable this site to realise potential and bring forward 2,500 jobs on currently available land, the relocation of the Council's HQ which occupies a major part of the Aykley Heads site would be necessary, thereby freeing up land for private sector investment.

#### **Provide a new Durham City HQ for DCC**

- 16 County Hall currently houses 1,865 full time equivalent (FTE) employees and is located within the proposed Aykley Heads Strategic Employment Site.
- 17 As set out above, the predominant reason for the relocation of County Hall is to release the Aykley Heads site and maximise the Council's covenant, or the significant value of the Council's office requirement, for regeneration. This is in keeping with other authorities who have sought to gain economic advantage through use of their covenant.
- 18 This economic consideration, coupled with the financial burden of maintaining what is now an over-sized, inefficient building which is no longer fit for purpose, means that a move away from County Hall represents a positive route forward for the authority (see appendix 2 for a table of comparable local authority activity in relation to new office accommodation projects and costs).

#### **Continued delivery of objectives and projects agreed within the office accommodation programme**

- 19 On 2 November 2010, Cabinet approved the initial Office Accommodation Strategy together with a confirmed capital budget of £8 million on an 'invest to save' basis. Specific objectives were to enhance the council's customer services provision through improved Customer Access Points (CAP) via 14 dedicated facilities and 4 main office centres and also to drive savings through the rationalisation of surplus office accommodation.

- 20 The majority of this work has now been completed. In summary, the programme has resulted in:
- (a) a reduction to the council's estate of 31,716m<sup>2</sup>, an amount equivalent to the size of County Hall
  - (b) net revenue running cost reductions in excess of £900k per annum
  - (c) generating anticipated capital receipts estimated to be in excess of £7 million
  - (d) a net reduction in CO2 emissions of 1828 tonnes
- 21 An increased MTFP savings target required further measures be taken in relation to the efficiency of office accommodation, with a £350k savings target included in the MTFP for 2016/17. The need to drive down operating costs further through more efficient ways of working was also prioritised.
- 22 Aside from the release of the strategic employment site and delivery of a new HQ for Durham City, the office accommodation programme continues to rationalise the whole of DCC's office accommodation. The Council has moved to a distributed model and work continues in relation to optimising the office accommodation portfolio.
- 23 The Council has continually attempted to use its own economic footprint and land holdings to support the local economy and clear priority was established when the Council and its partners placed economic regeneration at the top of its list of corporate priorities. The most relevant strategic objectives emanate from the 'Altogether Wealthier' Delivery Plan and Regeneration and Economic Development Service Plan. These are to establish:
- (a) A thriving Durham City;
  - (b) Vibrant and successful towns; and
  - (c) Sustainable neighbourhoods and rural communities.
- 24 The priority of stimulating regeneration in Durham City includes image, perception, vibrancy and vitality in the city centre and increasing private sector investment. Given the progress with managing our office estate to date, the backdrop of austerity and the opportunity posed by the Aykley Heads site, the time is now appropriate to review the position and look again to the future needs of the Council in relation to office accommodation.
- 25 Specialist professional support has been obtained to understand the Council's office accommodation property portfolio in terms of current utilisation, organisational fit and aspiration. To help define how the future office accommodation should be determined, limited consultation has been held with some employees including senior managers. The following vision and key drivers were determined from this consultation exercise:
- (a) At the heart of this project is a desire to stimulate regeneration within Durham City and the wider region;
  - (b) Vacating the Aykley Heads site to open up the opportunity for private investment and in turn private sector jobs;

- (c) Retain DCC staff in Durham City;
- (d) Provide contemporary workplace environments that will aid staff in providing optimum service to their customers;
- (e) Bring together disparate service areas and in so doing, bring about improvement in functionality, collaboration, communication, innovation and creativity;
- (f) A desire to facilitate positive change in the way employees have been used to working through the adoption of more flexible and agile ways of working.

26 Consideration has been given to a number of options in regard to the relocation of the HQ with the key objective to secure the strategic employment site on Aykley Heads for economic regeneration to the overall benefit of the county. In support of this work, the Programme Team and officers have visited various other local authorities to understand lessons learned from similar programmes.

### **Current office accommodation position**

27 As part of the above work, the Council's existing wider office estate was reviewed which supported one of the key objectives in maintaining four key office locations across the county, termed 'strategic sites'. These sites satisfy key criteria around location, size, condition, quality of accommodation, running costs and maintenance. The four strategic sites are:

- (a) Meadowfield Direct Services Depot and offices,
- (b) Spectrum 8 at Seaham,
- (c) Crook Civic Centre,
- (d) Green Lane, Spennymoor.

28 It is therefore proposed that in addition to a new Durham HQ presence, that these four sites remain as key office locations for DCC to ensure effective delivery of services across the County.

29 The diagram in appendix 3 illustrates how the management of staff across these strategic sites could work.

30 To supplement the information supplied by the accommodation review and to inform decision-making around the release of the Aykley Heads site to regeneration activity, an Economic Appraisal has been conducted by an independent organisation (ERS Consultancy) to quantify the following:

- (a) The catalytic impact of a major new office building being developed in the City Centre;
- (b) The indirect spend of DCC employees making better use of city centre facilities;

- (c) The release of the Aykley Heads site for the Strategic Employment Site;
- (d) The economic impact of an increase of employee numbers around the strategic sites i.e. Meadowfield, Crook, Spennymoor and Seaham.

- 31 The single most important criterion against which success in pursuing these objectives has been judged is the employment rate (based on the assumption that other indicators of economic and social well-being move in the same direction). In this context the focus of the economic impact assessment is on prospective net job creation arising from the relocation of staff from the current County Hall to other sites (principally in Durham City Centre).
- 32 Having undertaken both the accommodation review and Economic Appraisal it is clear that the Council has a significant opportunity in relation to the release of the Aykley Heads Strategic Employment Site and relocation of the DCC HQ.
- 33 Not progressing with Aykley Heads as a Strategic Employment Site would mean a potential net loss of 2,000 jobs (1,000 through massing on the County Hall site; 1,000 lost in the City Centre). i.e. the building footplate as it stands is underutilised and provides an opportunity through re development to increase utilisation by up to 1,000. If the Council does not move to the City Centre, the potential for an increase of 1,000 jobs would be potentially lost along with all the associated economic benefit for the City.
- 34 Spend in the City Centre is projected to increase by up to £1m a year if the DCC headquarters are relocated to a City Centre location.
- 35 Some resonant spend around the four strategic sites i.e. Meadowfield, Seaham, Crook and Spennymoor would also be of benefit to businesses in these areas. This also serves to consolidate existing spend.
- 36 From the strategic business case work that has been done, indicative construction and fit out costs for a new HQ have suggested a cost envelope of around £50m would be required. ERS Consultancy based their economic research on a construction cost of £47.3m and concluded that this would translate to an economic benefit of £134.3m to the economy which converts to a gross value added (GVA) of £39.4m.
- 37 The investment to jobs ratio identified by UK Contractors Group (the primary association for construction contractors operating in the UK) states that for £1m invested 28.5 jobs are created. Applying this to the construction value of the new office HQ (using £47.3m) would result in 1,348 construction jobs. These equate to 135 'permanent jobs' in the wider economy. Further benefits through indirect/ supply chain jobs (those arising from the spending undertaken by construction workers in the wider economy) mean an overall impact of 284 FTE jobs within the local economy.
- 38 These findings suggest that the most effective route to achieving key objectives and delivering value for money for the Council is to progress the release of the Aykley Heads site to facilitate regeneration and thereby relocating the HQ.

## **Indicative costs**

- 39 Work has been undertaken to assess the actions being taken by other local authorities to address similar agendas. This has shown that early indicative costs for a new HQ which is based on staff working differently and adopting more modern ways of working including: open plan work space, hotdesking, and less cellular offices, would cost around £50m. This estimate is based upon a 7 to 10 workstation to employee ratio with approximately 700 workstations being included in the new HQ building for 1,000 full time equivalent employees and will be worked up in further detail as part of the outline business case process should members agree to this next phase. The new building would therefore be significantly smaller and more efficient than the existing County Hall building. Comparable costs with similar projects in other organisations indicate this to be a fair assessment as shown at appendix 2.
- 40 In addition to specific office accommodation, County Hall currently houses the Durham County Record Office and Archive and also provides Civic Space for the use of Members and the public as appropriate. As part of the proposed next phase of work to produce an outline business case, the next steps required to deliver this are outlined at paragraph 50, and show how it will be necessary to undertake a review of required civic space in a new headquarters. As part of the proposed next steps process, it is recommended that this work be undertaken over the summer months as set out in the timetable at appendix 4.
- 41 It is highly unlikely that a new archive / county records facility will be located in a new build HQ and a separate feasibility study is underway with a view to bidding for external funding from the Heritage Lottery Fund to contribute to a new standalone facility. If external funding was secured for a new archive / county records office, savings would be achieved against the financing costs of the facility.
- 42 Concurrent to this process it will be necessary to begin a programme that will create the necessary environment to enable the implementation of the new ways of working for our employees which will underpin the framework of office accommodation and technology proposed.

## **New Ways of Working**

- 43 The review of accommodation is predicated on the implementation of 'new ways of working' concept which, amongst other disciplines, looks to optimise office accommodation by implementing desk ratios which complement the working patterns and needs of the various services. This could see the Council move towards more open style working, fewer cellular offices, more collaborative working styles and less personal and organisational records storage. A further report will be brought to Cabinet in the Autumn that sets out how the new ways of working proposals would work in practice.
- 44 With this in mind, a series of comprehensive utilisation studies have been commissioned for the council's strategic sites. These studies will further

explore how the capacity and utilisation of each of the strategic sites could be maximised while at the same time introducing measures to increase the flexibility of office accommodation and support modern ways of working. In parallel to this, work will be undertaken to check employee numbers, patterns of work etc. to ensure clarity of employee figures.

- 45 This work will inform the development of a programme of works to each of the strategic sites and will provide essential baseline information from which the council's organisational fit across the county can be developed. This will also assist with the development of any future decant strategy for County Hall and for further rationalisation of the Council's estate.
- 46 Appendix 3 illustrates the process linking the development of utilisation studies of the strategic sites to the development of the council's organisational fit and development of the next phase of the Council's office accommodation strategy.
- 47 Regardless of any decision on the move to a new HQ for the Council; the outcome of the above increase in capacity around the strategic sites will act as an enabler to asset rationalisation which will result in certain assets being determined as surplus.
- 48 In addition to the adaptation of more flexible ways of working in relation to physical space, it is important to understand how the future use of the buildings will be shaped by enhanced use of technology. To facilitate this, a flexible working policy has been developed and a more detailed analysis of the programme of proposed works will be included in the associated Cabinet Report entitled New Ways of Working in the Autumn and referred to above.

### **Programme next steps**

- 49 In order to progress further and firm up on costs and opportunities it is proposed to move to Outline Business Case (OBC) and report back to Cabinet on 18 November 2015.
- 50 The outcome of the OBC process would include the recommended preferred option for the proposed new HQ building including the identification of a site which could be a land only site or a land and property site. This would be presented to Cabinet on 18 November 2015 and at that point Cabinet would have the opportunity to progress to the next phase of working up the FBC including an OJEU procurement process. A clear programme setting out a clear way forward would also be included.

### **Outline Business Case Scope of Work**

- 51 Aligned with Treasury Green Book methodology for projects of this nature, the business case will follow the defined framework set out for OBC stage. This includes the following stages:
  - (a) Stage 1 – Determining potential value for money
  - (b) Stage 2 – Preparing for the potential deal
  - (c) Stage 3 – Ascertaining affordability and funding requirements

(d) Stage 4 – Planning for successful delivery.

52 It is expected that at the end of these stages the OBC would be sufficiently developed to enable a move to procurement which would be a major part of producing a Full Business Case (FBC) for Cabinet consideration in the spring of 2016.

53 As part of next steps, it is proposed that within the OBC process we:

- (a) Carry out a financial appraisal of all feasible options for a new city centric headquarters;
- (b) Undertake a review of the civic space working closely with Members to ensure the OBC contains a clear and deliverable civic brief that meets the needs of Members and the organisation;
- (c) Would identify a land only site or a land and property site;
- (d) Set out a detailed programme with clear actions for an OJEU procurement route;
- (e) Determine output specification through the development of an employer's requirements document and corporate standard for office accommodation;
- (f) Define the requirements of the commercial strategy identifying that the proposed approach is attractive to the market, can be procured and is commercially viable.

#### **Rationalisation of existing office accommodation portfolio**

54 The Office Accommodation programme will rationalise all existing office accommodation in line with the distributed model and in close consultation with Members and services as set out in the diagram in appendix 3.

#### **Proposed procurement of consultants to deliver the Outline Business Case**

55 It is recommended we engage with professional consultants who have the technical skills and experience to complete the outline business case (OBC) within 3 months. Should members agree, towards the end of the OBC timeframe in September 2015, it is proposed that there is a degree of market testing to explore potential sites and developers for the development of a commercial strategy to help ensure the rigidity of the process and to test commercial availability and proposition.

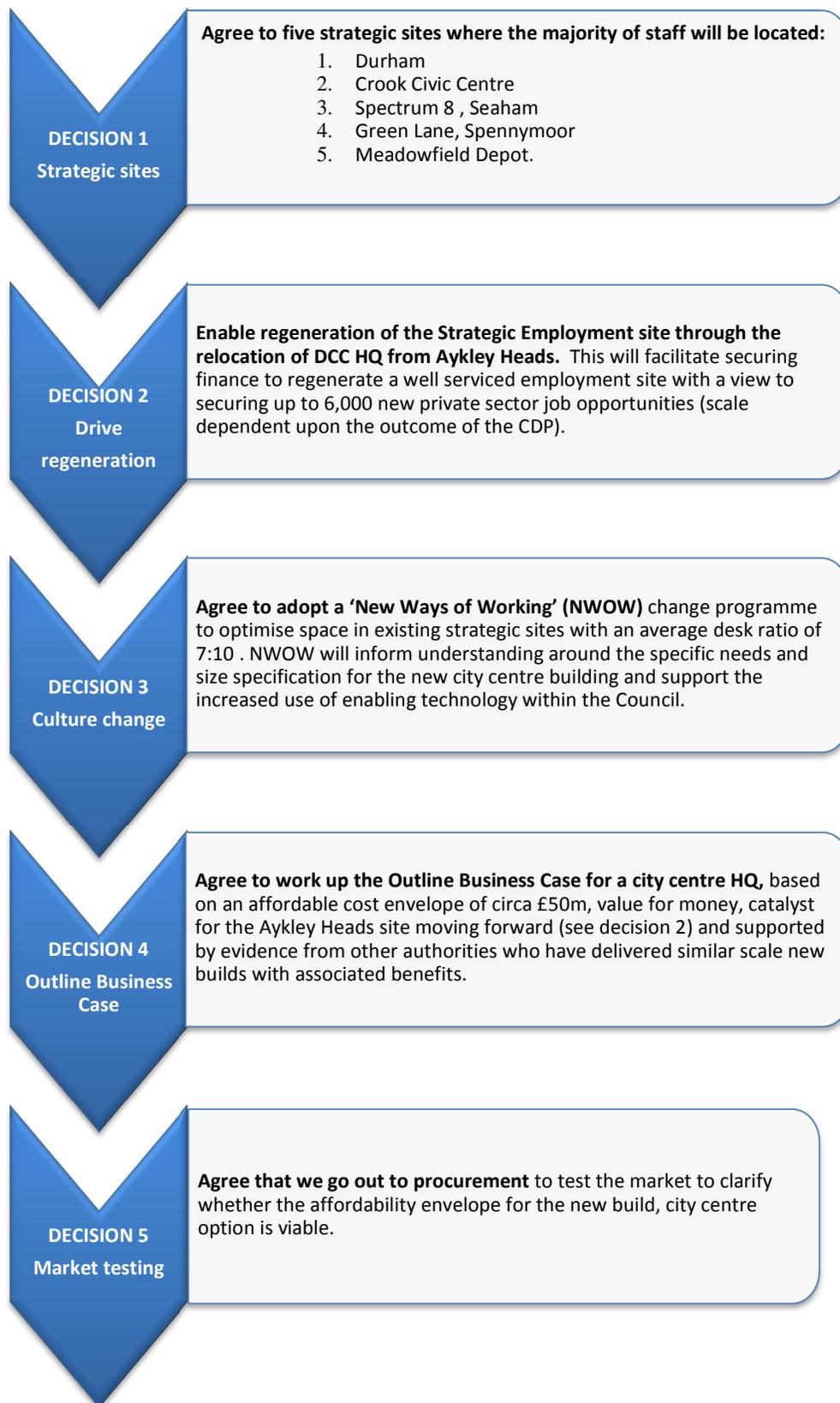
56 The consultants could be engaged through the NEPRO framework and the indicative cost is circa £200k to complete up to OBC with a further £400k cost to progress to FBC should the Cabinet decision be to proceed in November 2015.

#### **Project milestones**

57 The high level project plan and milestones are identified below with the process of decision making detailed in figure 1.

<b>Milestone</b>	<b>Date</b>
Cabinet consider report regarding the Strategic Employment Site opportunity and associated HQ issues Key decision point	15.07.15
Cabinet consider report regarding New Ways Of Working Key decision point	Autumn 2015
Outline Business Case for new HQ to Cabinet and approval sought to procure further consultancy support to work up a Full Business Case	18.11.15
Progress report on Full Business Case for new HQ to Cabinet	Spring / Summer 2016

## Summary: Figure 1: Summary of Decision Making Process



## **Recommendations and reasons**

58 It is recommended that Cabinet:

- (a) Approve in principle the release of the Aykley Heads site as a major regeneration opportunity for the county subject to an outline business case process and procurement exercise;
- (b) Agree to continue the distributed model of existing Council accommodation to maintain the Council footprint across County Durham;
- (c) Agree the principle of the relocation of the Council's Headquarters to a Durham City centric site subject to an outline business case process and procurement exercise;
- (d) Agree to procure consultants through the NEPRO framework at an estimated cost of circa £200k to proceed to Outline Business Case with a further £400k to proceed to Full Business Case subject to further Cabinet approval in November 2015.

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## **Appendix 1: Implications**

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**Finance** –Delegated decisions were taken to engage Deloitte RE to establish a strategic business case and the actual cost of this work was £180k. The engagement of Deloitte was carried out through a NEPRO agreement dated 4 July 2015.

Should Cabinet approve the estimated cost of £200k to engage consultants to work up the outline business case through the NEPRO framework, these costs will be funded from corporate earmarked general reserves.

Should the programme fully progress to complete all the deliverables included in the programme scope, there is also an identified requirement to appoint dedicated posts for a 5 year fixed period at an estimated cost of up to £200,000 per annum, supplemented by dedicated support from Finance, HR and Legal.

This resource is required to facilitate the delivery of the Phase II Strategy, development of the financial business case and support the wider regeneration programme. The budget to cover these costs including the consultancy costs to support the Outline Business Case; Final Business Case and OJEU Procurement Phase, subject to the project progressing to this phase, will come from corporate earmarked general reserves.

**Staffing** – There will be a requirement to establish a dedicated project team and project governance arrangements. All service groupings will need to contribute to the successful delivery of the desired outcomes.

**Risk** – a detailed risk assessment is in progress. A Programme Risk Analysis has been undertaken and a Risk Register produced in draft for the programme in conjunction with Corporate Risk. Two risk workshops have been undertaken with workstream leads to enable aligned robust risk registers be produced for each workstream.

**Equality and Diversity/Public Sector Equality Duty** – The outcome of this work will in turn inform the development of the Aykley Heads masterplan as well as support the County Durham Plan, both of which will be subject to Equality Impact Assessments.

**Accommodation** – The County Hall Project and associated programmes will determine the future for Council's office accommodation needs and requirements.

**Crime and Disorder** - None

**Human Rights** - None

**Consultation** – the proposals continue to be subject to detailed consultation, as part of the finalisation of the County Durham Plan and the Aykley Heads masterplan. Stakeholder consultation will be undertaken in line with the communications plan.

**Procurement** – To date, the appointment of consultants has been undertaken to develop the strategic business case in conjunction with the procurement team and complies with the Council's procurement policy. A programme procurement protocol has been agreed with Corporate Procurement to ensure that agreed routes to procurement are adhered to by all workstreams affiliated to the programme. The approach to procurement of the HQ will be defined through the OBC process.

**Disability Issues** – Equality Act compliance and accessibility will be major considerations for suitability criteria of office accommodation.

**Legal Implications** – Implementing a project of this nature interfaces with a number of legal issues, which the project team will need to address throughout the project including:

- Employment issues:
- Property issues( including transfers/leases and advice on use of land and premissions that need to be sought:
- Planning lawyers issues:
- Procurement (the commissioning of new premises will require a competitive procurement exercise)

## Appendix 2: Comparable local authority activity

Local authority	Project name	Geographic size of LA	Number of residents	Building capacity	Cost	Estimated savings	Regeneration opportunity	Other	Sources
Northants	Project Angel	913 square miles	629,000	2,000 in HQ	£54,000,000	£54m/30 years	Project Angel will act as a catalyst for further regeneration and private sector investment and is part of a wider programme of activity		<a href="#">FBC</a>
							Will bring a minimum £12m additional spend into the town centre per annum		<a href="#">Visit notes</a>
Derby	one, Derby, one Council	100 square miles	248,700	1,900 in HQ	£34,000,000	Unknown	Unknown	£14m backlog of repairs; council also spends £600,000 on renting other buildings	<a href="#">BBC</a>
									<a href="#">Visit notes</a>
LB Barnet	Unknown	33.49 square miles	356,400	Unknown	£32,800,000	£40.3m/10 years	Civic estate to be used as a regeneration tool		<a href="#">SOC</a>
									<a href="#">Barnet Council website</a>
York	Accommodation Project / Moving On Up	105 square miles	200,000	1,400 in HQ	£32,000,000	£17m/25 years	Unknown	Size of building 165,000 sq ft	<a href="#">BBC</a>
									<a href="#">Visit notes</a>
									<a href="#">York Council website</a>
									<a href="#">Other</a>

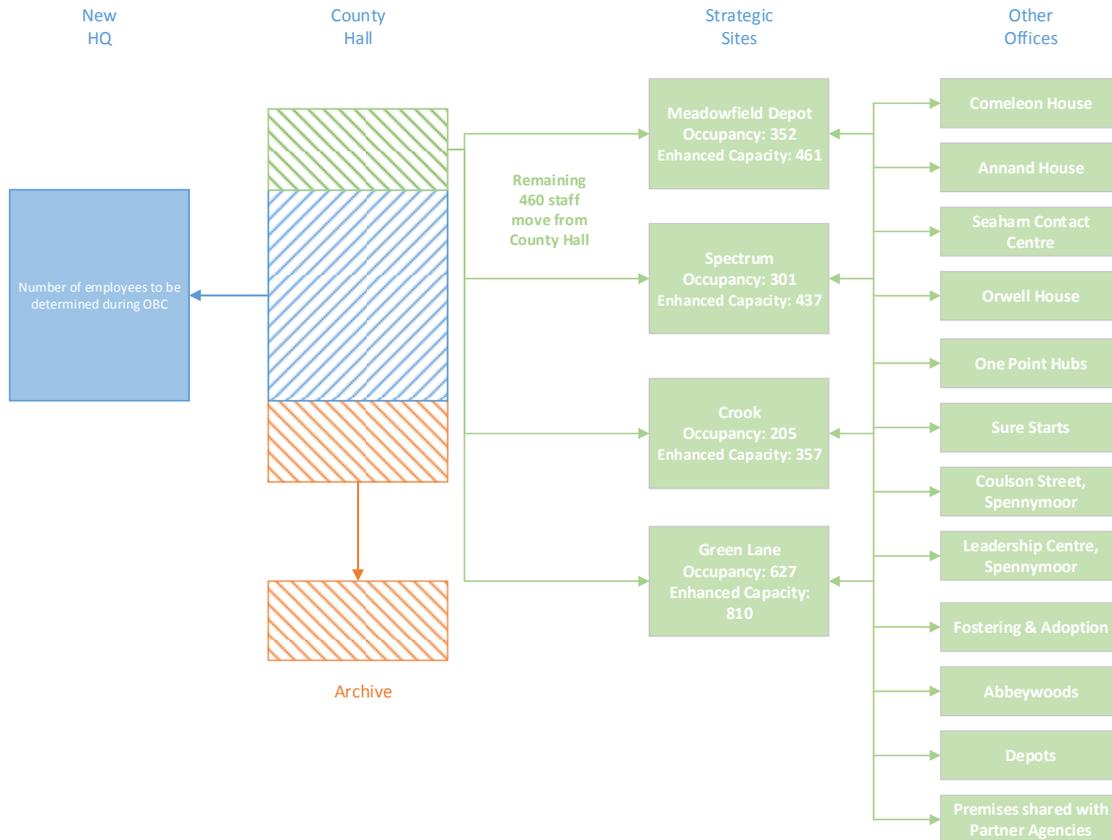
LB Sutton	Smarter Working Sutton	17 square miles	191,123	1111 on 861 desks	15,400,000	Annual cashable savings of £229k per annum rising to £303k per annum by 2018/19.	Unknown - benefits mainly around closure of buildings and related savings	Total cost £15.4m: £12.8m of this for the refurbishment and reconfiguration of the Civic Offices; £1.7m for ICT infrastructure, £0.3m for project and programme management and £0.6m for capitalised temporary borrowing costs. These figures would be offset by the disposal of assets estimated at £4.6m	<a href="#">Council website</a>
Reading	Unknown	23.55 square miles	155,700	2:3 desk ratio for 1,000 staff	£60,000,000	Unknown	Relocation of HQ provides the opportunity to regenerate a neglected area of the town centre		<a href="#">local news</a>
							Plans include a mix of residential, commercial, retail and leisure areas with a network of open areas		<a href="#">Reading Council website</a>

Rotherham	Rotherham Renaissance	111 square miles	258,400	2,240 staff; 1306 workstations	£7,000,000	Unknown	Demolition of existing offices (for the consolidation in new office) will allow for town centre sites to be redeveloped eg with a supermarket	Size of building 172,000 sq ft Cost comparison with renovation and refurbishment of existing buildings over the same 35 year period would have totalled £85 million.	<a href="#">visit notes</a> <a href="#">Council website</a>
Doncaster	Unknown	219.3 square miles	302,400	1,400-1,600 staff	£37,000,000	£650,000/year	Will sit in the heart of the new civic and cultural quarter of the city on a new public square, theatre and housing.	Part funded by ERDF (European Regional Development Fund)	<a href="#">BBC</a> <a href="#">Council website</a> <a href="#">Council news article</a>
N'land	Unknown	1,936 square miles	315,800	775 workstations	£19,000,000	£13m/25 years	<p>Part of a wider programme to regenerate Ashington with offices, retail, leisure and cultural/community developments and improving public spaces</p> <p>Will allow for a housing redevelopment in Morpeth</p> <p>Could bring £50m economic benefit to Ashington and Morpeth</p>	£10m+ repair bill for current HQ	<a href="#">Economic Impact Assessment</a> <a href="#">BBC</a> <a href="#">local news</a>
Rochdale	Unknown	62 square miles	204,700	2,000 staff	£50,000,000	Unknown	<p>Setting up a council employee discount scheme for city centre</p> <p>New development is on empty land (previously a car park)</p> <p>Once existing office is demolished, the land will be used for a speculative retail scheme, part of a wider town centre regeneration programme</p>	181,000 sq foot of which 166,000 sq ft is office space	<a href="#">website</a> <a href="#">Borough profile</a> <a href="#">local news</a> <a href="#">Planning application</a>

Coventry	Unknown	38.09 square miles	316,900	Unknown	£40,000,000	£500,000/year	Part of £59m masterplan for city centre; city centre development will also include office space, two hotels, new homes, retail space and restaurants	Repairing and refurbishing the existing building would cost £63m.	<a href="#">Website</a>
							The 37 acre site could create 7,800 construction jobs over the next 15 years and 13,400 office jobs once completed		<a href="#">Local news</a>
							Country's 13th largest city with the 47th largest shopping centre - this development will address and hopefully change this		
							The scheme could see an increase in business rates resulting in £11m a year		
							Will support Coventry University's ambitious plans for growth over the next decade		
							Road improvements also planned (including a boulevard linking the train station and city centre). This will be funded by Regional Growth Fund (£12.7m).		
Wiltshire	Unknown	1,346 square miles	470,981	1200	£24,000,000	£5m/unknown	Unknown	<a href="#">BBC</a>	
								<a href="#">Council website</a>	
Stoke on Trent	Unknown	36 square miles	469,000	2000	£40,000,000	£2m/year	HQ relocating to be anchor tenant in a new central business district.	140,000 sq ft	<a href="#">BBC</a>
							Central Business District could create 4,500 jobs and add £62m per annum to the North Staffordshire economy		<a href="#">Local news</a>
									<a href="#">local news</a>

### Appendix 3: Diagrammatical representation of organisational fit

This diagram illustrates how additional capacity achieved in each of the Council’s strategic sites can potentially contribute to the ‘Organisational Fit’ across the Council’s office accommodation portfolio following the provision of a new DCC HQ of reduced size.



## **Appendix 4: Civic Facilities Review**

### **Workshop purpose / overview**

Commence the review and briefing process for the future Civic requirements within Durham County Council.

### **Audience**

Members.

### **Format**

The workshop will comprise the following activity:

- **Current provision** - a review of what facilities are currently provided.
- **Brief History of County Hall**
- **Precedent review** (e.g. Redcar experience) and lessons learned
- **Flashcard exercise for key themes** – flexibility, innovation, expression, formality, quality of finish, display of historic artefacts etc.

### **Output**

The workshop will inform the civic review which will form part of the Corporate Brief Document.

This will incorporate conclusions drawn from the workshop, which will likely include (but not be limited to) guidance on the key themes discussed above.