

# HEADQUARTERS & OTHER ACCOMMODATION

## Project Close Report September 2010



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## CONTENTS

	<b>Page</b>
1. Executive Summary	1
2. Project Objectives	3
3. The Right Project?	3
4. Delivered Effectively?	6
5. Value for Money?	8
Annex A: Project Outcomes	13
Annex B: Estimates of Outturn Costs	17



## **1. EXECUTIVE SUMMARY**

### **Project Objectives**

- 1.1 The need to resolve the threat posed by the deteriorating condition of the external walls of Pathfinder House and the difficulty of continuing to provide safe and cost effective operational services from depots in each of the major towns were the two key drivers for the project.
- 1.2 More detailed outcomes and objectives are detailed in Annex A together with a commentary on the delivery against them. But in reviewing the delivery of the project, and deducing lessons learnt, this report seeks to show that it was the right project, delivered effectively, and that it achieved value for money.

### **The Right Project?**

- 1.3 Concern about the poor working conditions provided by Pathfinder House, first identified in 1995, together with the deteriorating state of the envelope of the building initiated a series of accommodation studies leading to the formation of the cross-party Headquarters and Other Accommodation Members' Advisory Group in January 2003. To allow the advisory group time to complete its own investigations protective scaffold was erected around Pathfinder House in 2004.
- 1.4 The limitations of the existing depots had already been identified and the advisory group's deliberations encompassed the concept of a multi-functional operations centre which would replace the depots and also house some activities displaced from the headquarters site. A feasibility study completed early in 2005 concluded that Pathfinder House was beyond economic repair, that there were potentially financial and customer service benefits from redeveloping the existing headquarters' site and that an operations centre on an industrial site in Huntingdon would be cost effective.
- 1.5 The findings, insofar as they related to Pathfinder House, were further and independently tested at the request of the Overview and Scrutiny Panels before the council committed itself to a procurement exercise for a developer to design and build the required accommodation. Notwithstanding the conclusions of the feasibility study developers were invited to bid not only on the basis of redeveloping the existing Pathfinder House site but were invited to offer alternatives sites within Huntingdon.

### **Delivered Effectively?**

- 1.6 A structural engineer's conclusion that major redial works would have to be undertaken during 2010 to keep the existing Pathfinder House safe imposed a finite timescale to the existing building being vacated.
- 1.7 The scale of the project was such that EU competition regulation compliant procurement processes were required. There was a significant risk that a traditional approach of identifying sites, appointing an architect to undertake the design and then tendering the construction separately might not allow the existing Pathfinder House to be vacated before 2010. The adopted route of a procurement leading to a development agreement for the delivery of the whole project on a design-and-build basis mitigated this risk.
- 1.8 The expeditious delivery of the project was further ensured by the robust governance arrangements in which the cross-party Headquarters and Other Accommodation Members' Advisory Group provided a forum where project development and delivery was tested before being submitted to Overview and Scrutiny and eventually Cabinet/Council for approval. High quality legal and property/building advice also ensured that the council's interests were protected through the negotiation and delivery of the development agreement.
- 1.9 Through this process space requirements were optimised, challenging targets for the energy efficiency of the new buildings set and achieved and two highly functional new assets created.

### **Value for Money?**

- 1.10 The forecast outturn cost of the project is £7,369k for Eastfield House and £18,206k for Pathfinder House. These figures include construction, fit out and all costs associated with managing the delivery of the project and some business improvements part funded by service budgets.
- 1.11 External influences including the availability of land and the planning process brought about changes to the shape and cost of the project during its five year life. Notwithstanding this the outturn cost of providing the council with a replacement headquarters building is consistent with the feasibility study estimate from 2005.
- 1.12 The outturn cost of Eastfield House, however, is significantly above the feasibility study estimate and resulted from the specialist nature of the services accommodated and the unusually high office content compared to a similar commercial building.
- 1.13 Effective procurement processes have ensured that value for money has been achieved throughout the life of the project.

## **2. PROJECT OBJECTIVES**

- 2.1 There were two key drivers which initiated the project –
- the rapidly deteriorating structural integrity of the external walls of Pathfinder House; and
  - the management and cost overhead of delivering the council's major operational services from inadequate and inefficient depots located in each of the major towns.
- 2.2 Through project initiation, feasibility study and the development of a specification for the new accommodation these drivers were expanded into a number of required outcomes and objectives which then shaped the project. For completeness these are detailed at Annex A with the associated actions and achievements.
- 2.3 However, in reviewing the project as it draws to a close there are three key questions that need to be considered
1. was it the right project?
  2. was it delivered effectively?
  3. does it represent value for money?
- 2.4 In answering these question the opportunity will be taken to highlight lessons learnt that are transferable to the inception, development and delivery of future projects.

## **3. THE RIGHT PROJECT?**

- 3.1 The history of the project up to the time the council committed to the award of the contract for the delivery of the new buildings was detailed in the report Headquarters & Other Accommodation: Final Tender Evaluation Report. This report detailed the key influences on the scope of the delivered project and these are summarised in the following paragraphs.
- 3.2 A combination of the need to address the poor working conditions in the old Pathfinder House, first acknowledged in 1995, together with the deteriorating external envelope of the building lead to the council commissioning a report, presented in November 2002, from consultants Henry Riley Group on the available options to mitigate these problems. Arising from the consideration of this report £9,600k was committed in the MTP for a 'do minimum' option to give Pathfinder House a further 15 years of life and provide an extension to accommodate a one-stop-shop.

- 3.3 In January 2003 Cabinet appointed the Headquarters and Other Accommodation Members' Advisory Group to review the options both for the headquarters and for other accommodation to provide for the future needs of the council's service delivery.
- 3.4 During 2003 it was discovered that the lift shafts in Pathfinder House would prevent the lifts being made compliant with the Disability Discrimination Act, hence the upper floors could not be made accessible for staff and visitors with some mobility problems. The structural consultants also reported that works were required by summer 2004 to remove the risk of debris falling from the building as concrete components in the external envelope were continuing to deteriorate.
- 3.5 The decision was taken in December 2003 to make minimum repairs to Pathfinder and erect protective scaffolding to allow the Headquarters and Other Accommodation Members' Advisory Group to continue with a detailed study of all future accommodation options.
- 3.6 The possible benefits of moving some activities, viewed as peripheral to the headquarters function, printing and CCTV control room for example, from the headquarters building to more operationally efficient and/or economic accommodation was mooted at this time. Taken together with earlier reviews which had identified the poor condition and the unsuitability of the existing depots for their current operational requirements the potential emerged for a single operations centre.
- 3.7 In order to secure professional advice on their future property strategy and the technical requirements for any replacement built assets the council engaged Lambert Smith Hampton to provide a feasibility study. The outcome of which was reported in March 2005 and its principal conclusions were that–
- the council required 8,223 square metres of headquarters accommodation and that a target price of £17,000k (range £15,300k to £23,000k) should be allowed for the redevelopment of the Pathfinder House site ;
  - there was currently no commercial demand for offices of this size in Huntingdonshire and that to protect its investment the council should require any new building to be capable of division for subletting or part disposal;
  - notwithstanding the growth in communications technologies there would remain a significant proportion of the council's customer base who would require/prefer face-to-face contact;
  - for many customers the public transport serving Huntingdon made this the most convenient location for them to visit;



- more responsive services can be provided where customer service facilities and the back-office function are co-located;
- a new operations centre at a target cost of £2,600k (range £2,000k to £2,800k) close to the trunk road network would reduce the adverse environmental impact of vehicles travelling through residential areas and allow the consolidation of all activity onto a single site releasing existing sites for disposal; and
- much of the existing labour force lived in Huntingdon and this remained the optimum location for any new operation centre.

3.8 The report concluded that there was no financial benefit from upgrading the existing Pathfinder House building and demonstrated that there was little difference in the capital cost of redeveloping the existing site when compared with a development on a number of other potential sites in Huntingdon. It confirmed that the delivery of a new operations centre on an industrial estate was the most cost effective option.

3.9 Following review by the Advisory Group and additional studies undertaken at the request of the joint Overview and Scrutiny Panels, at their meeting in March 2005, the council proceeded to an EU competition regulation compliant procurement exercise seeking delivery on a design-and-build basis, with land acquisition where necessary, of accommodation subject to the following constraints –

- a new headquarters building within the built envelope of Huntingdon –
  - provision on a new site; or
  - provision on the existing Pathfinder House site
- a customer service centre within Huntingdon ring road and within easy walking distance of Huntingdon Bus Station –
  - the customer service centre co-located with the headquarters building if this is sited within the ring road, or
  - the customer service centre provided separately if the headquarters building is outside the ring road
- the construction of an operation centre on a site with easy access to A1/A14 within, or adjacent to, the built envelope of Huntingdon
- disposal of the site of Pathfinder House and Castle Hill House if made surplus by the new provision –
  - design, build and market residential units on the site incorporating the conversion of the Grade II\* Castle Hill House; or

- demolish Pathfinder House, clear the site and leave for the council to market

3.10 At this stage the scope of the project was substantially determined. In arriving at this position the possible alternatives had been identified, evaluated and reviewed and compared with the emerging preferred option. The council can have confidence that it pursued the right project.

3.11 The precise form of the project still remained subject to the outcome of the competitive process and the effectiveness of this is examined in the next section of this report.

#### **4. DELIVERED EFFECTIVELY?**

4.1 The temporary repairs and provision of scaffold to ensure the safety of the old Pathfinder House had a limited life, confirmed by the structural engineer's annual inspection report in 2005 which advised that further major remedial work would be required by no later than 2010. Alternative procurement strategies to that outlined in paragraph 3.9 above had, therefore, to be assessed against their ability to deliver a solution by 2010.

4.2 In developing the project to the point of procurement the refurbishment, and possible extension, of the existing Pathfinder House had been considered on a number of occasions and had been found not to deliver a suitable office environment nor achieve any significant cost saving. The only alternative approach to the design-and-build option pursued would have required the council to –

- commission consultants to undertake a site identification exercise and then manage the land procurement;
- appoint an architect to undertake the design, including securing planning consents, and tendering of the building contract
- enter into a contract with the building contractor

4.3 Because of their value a separate EU competition regulation compliant procurement exercise would be required to appoint the architect and then a further one for the construction contract. The time required for each of these, typically 6-9 months, would need to be added to the construction period, assumed to be 30-36 months. The risk that this exercise could extend into and beyond 2010 was considered unacceptable and hence the design-and-build solution was pursued.

- 4.4 The decision on the procurement process was the culmination of two years of option generation, evaluation and selection. Governance and management arrangements during this time were pivotal to the effective delivery of the project. The Headquarters and Other Accommodation Members' Advisory Group first met in March 2003 and its subsequent meetings provided the forum for detailed discussion of project options and issues with Members. This cross-party group help shaped the proposals which were escalated to meetings of the Overview and Scrutiny Panels and/or Cabinet for comment and approval.
- 4.5 The new accommodation project ran concurrently with the customer first project and had shared interest in the development and delivery of a number of business change initiatives. At officer level a programme board ensured that these two major work streams were effectively coordinated and this board maintained oversight of the individual work streams.
- 4.6 During the procurement exercise, leading to the eventual execution of the development agreement in November 2006, the project team were supported by solicitors Hewittsons and property/technical specialists Lambert Smith Hampton. Both companies have substantial experience of negotiating agreements of the scale and complexity of the development agreement. These skills were not available in-house and it is important that where major procurements are being undertaken that the council is adequately supported in its dealing with experienced commercial suppliers.
- 4.7 Information on the achievement of the project against the project objectives is given at Annex A. However, the following areas are highlighted to further demonstrate that the project has been delivered effectively.
- 4.8 The project brief identified a requirement for 8,223 square metres of headquarters accommodation. Cabinet subsequently required the area, when compared to the existing space in the old Pathfinder House and Castle Hill House to be no more than 8% greater, equating to 7,152 square metres. The completed Pathfinder House delivers only 6,157 square metres, or a 7% reduction on the previously occupied space.
- 4.9 Noise and atmospheric pollution from the ring road ruled out consideration of a naturally ventilated building for the replacement Pathfinder House. The specification called for a comfort cooled building and required the energy consumption to achieve the 'good practice' benchmarks in the government's 'Best Practice Programme' document Energy Use in Offices: Energy Consumption Guide 19.

- 4.10 The completed building has not yet been occupied for a full year to allow a comprehensive assessment against the benchmarks to be undertaken. However, a preliminary review completed six months after occupation of the final stage indicates that the 'best practice' benchmark will be achieved and the potential exists for further improvements in energy efficiency in the way the building is used. A further review is proposed for May 2011 when a full year's actual energy use figures, for the whole building, will be available.
- 4.11 The recently completed review indicates that the annual energy use will be 1,650,837 kWh. This figure is extrapolated from actual energy use for occupied parts of the building during the exceptionally cold winter of 2009/10 and the summer of 2010, one of the hottest for many years. It represents a 1.6% reduction on the energy used by the headquarters accommodation in 2006/07, the last full year of occupation before the redevelopment of the site commenced. Based on this evidence Pathfinder House delivers a substantially improved working environment whilst using less energy than the old headquarters accommodation.
- 4.12 The energy efficient/low carbon credentials of the new Pathfinder House are further confirmed by it achieving a B rating for its Energy Performance Asset Rating with a score of 32 compared with the government's benchmark of 34.
- 4.13 Most importantly all of these benefits have been delivered in time to allow the old Pathfinder House to be finally vacated in January 2009, before any incidents resulted from the deteriorating fabric of the old building.

## 5. VALUE FOR MONEY?

- 5.1 The overall net cost of the project is estimated to be £25,575k, of which £18,206k relates to Pathfinder House and £7,369k relates to Eastifeld House. The delivered project differs in a number of ways from that which was originally envisaged. Accordingly, cost comparisons with earlier estimates need careful interpretation.
- 5.2 However, in considering whether or not the outturn cost represents good value a comparison of the final estimate to the tendered cost of construction, is helpful.

### **Construction only:-**

Lowest/accepted tender in 2005	£22,212k
Second lowest tender in 2005	£26,444k

**Fully inclusive cost:-**

Estimate based on lowest tender 2005	£23,728k
Final outturn at end of construction 2010	£25,575k

- 5.3 The table above shows that the fully inclusive cost of delivery, i.e. after adding all costs incurred directly by the council, is still below the construction costs of the second lowest tender. This suggests that the EU compliant competitive procurement process delivered a project that represents value for money. In assessing if the project delivers good value further comparison of the 2005 estimate of outturn with the forecast final outturn is necessary.
- 5.4 Key changes between the scope of the project at tender stage and the final outturn are set out below –
- the lack of any land other than that being sold by St John's College on the Ermine Business Park resulted in the procurement being taken out of the main contract and dealt with directly by the council;
  - the availability of Centenary House to provide temporary office space and a customer service centre for the duration of the construction of the new Pathfinder House resulted in the renegotiation of the arrangements for decanting;
  - the constraints imposed by English Heritage meant that it was not possible to secure a planning consent for the conversion of Castle Hill House for a residential disposal that could deliver commercial values, resulting in the decision by the council to retain the building;
  - the initial decision to retain Castle Hill House for the council's use allowed some 900 square metres of office space to be deleted reducing the cost of construction and creating a vacant plot (Building A) for disposal;
  - revised space planning of the new Pathfinder House subsequently allowed Castle Hill House to be vacated.
- 5.5 The tables at Annex B show a separate breakdown for Eastfield House and Pathfinder House of the estimated final outturn and compares this with the estimate from 2005, based on the accepted tender. This table shows that the estimated outturn for Pathfinder House is consistent with the £17,000k target in the 2005 feasibility report when the 'abnormals' and staff costs are disregarded. However, it also shows that Eastfield House was significantly more costly than forecast in the feasibility study reflecting the high cost of the land, the significantly greater office content when compared to a similarly sized commercial building and the specialist nature of much of the fit-out.

- 5.6 In the period between the setting of the initial brief in 2005 and eventual occupation, 2007 for Eastfield House and 2009/2010 for Pathfinder House, corporate and service requirements changed and the design had to be adapted to meet these requirements to ensure economic and effective service delivery in the future. This gave rise to £309k and £712k of construction variations ordered by the council for Eastfield House and Pathfinder House respectively. At 5% of the overall construction cost this is well within the usual risk contingency provision on a construction project of this scale.
- 5.7 The extent of the archaeological investigation at the Pathfinder House site was dictated by the county archaeologist and although some provision had been included at tender stage the eventual scope and cost of the study could not have been predicted. The archaeological study, which required a full excavation and documenting of all areas within the footprint of the new buildings, was commissioned following a competitive tendering exercise of companies acceptable to the county archaeologist.
- 5.8 Decanting has been mentioned in paragraph 5.4 above and the timing of Business Link vacating Centenary House was most propitious. It enabled the council to establish and maintain a fully accessible customer service centre throughout the redevelopment of Pathfinder House. The main contractor undertook the fit-out of the building at his cost and the council contributed to the cost of the lease in recognition of the enhanced provision being made available. Lessons learnt from this temporary customer service centre influenced and improved the final design of the facility in the new building and allowed the whole project to be delivered with only one day of face-to-face interaction with customers being lost.
- 5.9 Although Eastfield House is designed to be a simple building that could easily be converted for commercial use it contains a number of activities which are critical to the council's services and which have required substantial investment in equipment. The single most expensive fit-out at £265k was the CCTV control room. This included the migration to digital systems from an analogue system that was rapidly becoming obsolete. Equipment required for the VOSA compliant vehicle maintenance workshop and other fleet operator essentials totalled £207k and this together with document centre fixtures and warehouse fit-out made up the £602k specialist fit-out cost at Eastfield House.
- 5.10 Pathfinder House accommodates the server room at the heart of the council's IT systems and networks. During the five year life of the project server technologies had advanced rapidly as had the associated cost of providing the necessary environment in the server room to ensure business continuity. Audio-visual technologies had also advanced and in seeking to make the Civic Suite as flexible as

possible use has been made of a wireless microphone system and control systems to allow the room to be used in many different configurations. This £413k investment in technologies and the associated infrastructure provides a significant level of future proofing, minimising the potential for further capital expenditure in the immediate future.

- 5.11 Separate competitive procurement exercises, using furniture suppliers from the EU compliant OGC (Office of Government Commerce) standing lists, were used for Eastfield House and Pathfinder House. The furniture was selected to optimise the space planning in the buildings. It was the catalyst for increased occupation at Eastfield House, an uplift of 60% on the initial brief, and bringing all headquarters staff into the new Pathfinder House and being able to vacate Castle Hill House delivering ongoing revenue savings and reinstating the potential for its sale.
- 5.12 The space planning benefits could not have been realised with the existing furniture. Desks in the old buildings were designed for use in conjunction with CRT monitor and required more area per work station. This is graphically demonstrated by the floor area details at paragraph 4.8. The new generic bench-style desk layouts are also consistent with increased hot-desking when the council fully exploits its investment in remote access technologies and seeks to release office space for sub-letting or disposal.
- 5.13 The council did not have the in-house capacity to negotiate the development agreement and provide quality and cost control management during the delivery of the construction phase. Accordingly lawyers and technical/property specialists were appointed, again after competitive tendering processes, to support the in-house project team. At 3.0% of the net land/construction cost the total cost of £791k is consistent with the support costs on a construction project of this scale. The increase from the 2005 estimate reflects the complexity of the land transaction for Eastfield House and of the initial negotiation of the development agreement and the subsequent revisions as the property strategy changed during the life of the project.
- 5.14 In Annex B there are a number of items under the heading of 'Abnormals' in respect of Pathfinder House. Although the cost of these are charged to the project they represent costs that could not have been foreseen when preparing the estimates and/or are outside the scope of most construction projects.
- 5.15 The council initially specified the use of landscaping materials consistent with a non-prestige town centre office development for Pathfinder House and this was provided for in the tendered construction cost. Subsequently, approval of the hard and soft

landscaping was conditioned by the council, as the local planning authority, and as a consequence it was necessary to upgrade the scheme to achieve a planning consent. In the context of the development agreement the planning condition was considered onerous and the additional cost had to be met by the council.

- 5.16 Continued occupation of Castle Hill House required two items of work. It was necessary to make fire escape provision in Castle Hill House to allow its continued occupation following the demolition of the old Pathfinder House boiler house, which had abutted it and which acted as an escape route from the first floor. In addition the building's own boiler failed and had to be replaced. The opportunity was also taken to improve the performance of the heating system.
- 5.17 Although undertaken to facilitate the council's continued occupation of the building both these items of work are necessary if the building is to be sublet and have the potential to be recovered through an increase in the sale price of Castle Hill House when sold.
- 5.18 A considerable amount of work was undertaken by the developer in an attempt to persuade English Heritage to accept a commercially viable conversion and restoration, of Castle Hill House either for residential or office use. The cost of this and of securing an alternative residential planning approval for the vacant plot facing St Mary's Street, together with the marketing exercise completed in 2008, amount to £187k. These costs should be recovered through the proceeds of the sale of the assets.
- 5.19 Following the occupation of Pathfinder House a number of adaptations were made, or are planned, to further improve the functionality of the building. These include the creation of a lobby area to the main staff entrance to improve security and reduce heat loss, restoring the first aid room sacrificed to provide temporary staff accommodation pending the completion of the second stage of the building and adaptations to further improve local control of the heating system to better reflect actual occupation patterns.
- 5.20 The original estimate reflects only the cost of an in-house project team to manage the procurement and delivery of the buildings. As stated previously the building project became a catalyst for a number of significant changes to the council's business processes. Co-ordination of these various projects and their integration with the delivery of the buildings provided major challenges which required substantial input from the project team.



**ANNEX A: PROJECT OUTCOMES**

<b>Primary Outcome</b>	<b>Objective</b>	<b>Action</b>	<b>Achievement</b>
Improved public access to the democratic process	The provision of appropriate accommodation and delivery of high quality services to local people in a sustainable way.  Improvement Plan responding to CPA report in June 2004.	Design of new Civic Suite had regard to the publication 'Re-Inventing the Town Hall (a handbook) by Ben Rogers.	New Pathfinder House provides a meeting space that is visible to the public, one where the public are integrated into the meeting space suitable for a mix of activities with furniture that has a contemporary feel.
Improved facilities for face-to-face interactions with the public	The provision of appropriate accommodation and delivery of high quality services to local people in a sustainable way.  Improvement Plan responding to CPA report in June 2004.	Replace single service receptions in existing Pathfinder House by a space accommodating a one-stop-shop.	New Pathfinder House provides a Customer Service Centre accessible directly from the street which has a contemporary and welcoming ambience.
Welfare and safety of visitors ensured	The provision of appropriate accommodation and delivery of high quality services to local people in a sustainable way.  Improvement Plan responding to CPA report in June 2004.	Replace old Pathfinder House before 2010 when structural engineers consider that the building envelope will have deteriorated to the extent that there is a hazard of debris falling from the external envelope.	Old Pathfinder House vacated in January 2009 and demolished shortly afterwards.
		Provide an internal environment that meets contemporary standards with regard to heating, ventilation and lighting.	Comfort cooling provided both at Eastfield House and Pathfinder House to deal with high summer temperatures.  Ventilation ensures sufficient air changes to limit build up of carbon

Primary Outcome	Objective	Action	Achievement
			<p>dioxide in the offices.</p> <p>Lighting compliant with latest office standards.</p>
Business continuity safeguarded	The new buildings provide the physical space to support the delivery of the council's Corporate Service Recovery Plan.	Main server room provided at Pathfinder House with satellite at Eastfield House with spare capacity for emergency use.	Two data connections provided between building to allow key ICT systems to be provided from either.
		Buildings have facility for connecting emergency generators.	Capacity exists to restore electrical power within the timescale required by the Corporate Service Recovery Plan, including full power to Pathfinder House.
	Move into new accommodation to cause minimum disruption to service delivery.	Decanting and move into final accommodation programmed to ensure no service disrupted for more than four days and emergency service maintained where necessary	Service interruption generally limited to two days with customer service centre only closed for one day.
Safe and efficient operations centre	Consolidate service delivery into a single premise and dispose of redundant assets.	New operations centre with adequate space to accommodate all management and operational activities.	Eastfield House now houses all operational activities. The former Bridge Place, Godmanchester depot is now a public charged car park, Caxton Road, St Ives, depot is being developed as an enterprise centre by the council and Alms Close is still available for disposal.

Primary Outcome	Objective	Action	Achievement
	Built assets limit hazards caused by the operation of machinery and the movement of vehicles.	Replace existing main and satellite depots with building and yard area constructed to the latest health and safety standards.	Space provision allows safe unsupervised manoeuvring of largest vehicles in fleet. Warehouse allows mechanical handling of stores and equipment.
		Provide new VOSA compliant vehicle maintenance workshop	New VOSA compliant vehicle maintenance workshop removes reliance on former 'grandfather rights' which allowed substandard working arrangements.
Best value achieved	Ability to capitalise or secure revenue from whole or part of the assets created if they become redundant.	Select site and adopt design that maximises the potential for future commercial use without compromising the council's operational requirements.	Location of Eastfield House and its design makes it easily convertible for commercial use further supported by removal of restrictive covenant at the time of purchase.
		Pathfinder House could be sublet by floor or divided at atrium for separate leasehold disposal. Civic Suite is free standing from main office building to allow separate tenure.	Space planning optimised and requirement for 900 sm of floor space in Building A deleted from final project. Site of Building A now available for disposal.
	Future running costs.	Secure BREEAM excellent rating in line with government's expectation for new public buildings	Achieved BREEAM excellent rating on main office building.
		Design building fabric and systems to reduce energy demand.	Achieved B rated EPC for Pathfinder House with score of 30 which is better than the national benchmark.

Primary Outcome	Objective	Action	Achievement
		Specification for Pathfinder House required 10% saving on CIBSE benchmark for 'Good' Type 3 building.	The individual building systems have been installed to deliver a low energy building. Until the completed building has been occupied for 12 months (March 2011) it is not possible to confirm that actual performance.
	Impact on the cost and quality of the council's services.	Office spaces designed to be flexible with minimum cost associated with adapting them to meet changes in the organisation.	Large open plan areas with generic furniture layout allowing organisational changes to be achieved by relocating people rather than furniture.
		Building designed to provide spaces with a contemporary environment appropriate to the intended use.	Functionality of spaces confirmed by the majority of users.

## ANNEX B: ESTIMATES OF OUTTURN COSTS

### (1) Eastfield House

	<b>2005 Estimate £000's</b>	<b>2010 Outturn £000's</b>	
<b>Land Transactions</b>			
Purchase of site	1,800	1,800	
Disposal of Caxton Road Depot	-195	-195	
Disposal of Alms Close	-150	-150	
<b>Construction</b>			
Included in Development Agreement	4,735	4,625	
Variations ordered by Council	440	309	see note 1
Updated technologies and specialist kit	440	602	see note 2
<b>SUB-TOTAL</b>	<b>6,630</b>	<b>6,991</b>	
<b>Furniture</b>	66	122	
<b>Legal, property and construction advisers</b>	70	138	
<b>Staff Costs</b>	80	118	see note 3
<b>GRAND TOTAL</b>	<b>6,846</b>	<b>7,369</b>	

### Notes

1. Specification refined and improved as work progressed. The outturn figure represents the uplift in expenditure above the provision already in the Development Agreement.
2. Changes to specialist equipment procured separately by the council outside the scope of the development agreement e.g. VOSA compliant vehicle maintenance workshop.
3. The staff costs included here are those relating to technical staff directly responsible for the delivery of the project. All Operations Division management were involved in planning for and participating in the move to the new building. Non-technical staff costs were funded by a transfer from the revenue budgets which support these staff costs. There was no increase in the council's overall expenditure.

## (2) Pathfinder House

	<b>2005 Estimate £000's</b>	<b>2010 Outturn £000's</b>	
<b>Land Transactions</b>			
Disposal of Castle Hill House	-980	-980	
Disposal of site of Building A		-830	
<b>Construction</b>			
Included in Development Agreement	16,656	15,871	
Variations ordered by Council		712	see note 1
Extended archaeological survey		315	see note 1
Improved decanting arrangements		191	see note 1
Updated technologies and specialist kit		413	see note 1 & 2
<b>SUB TOTAL</b>	<b>15,676</b>	<b>15,692</b>	
<b>Furniture</b>	610	700	
<b>Legal, property and construction advisers</b>	356	653	
<b>Abnormals</b>			
Upgrade to landscaping		136	
Works to Castle Hill House		103	see note 3
Studies etc. for Bld A/CHH		187	
Works post occupation		120	
<b>Staff Costs</b>	240	616	see note 4
<b>GRAND TOTAL</b>	<b>16,882</b>	<b>18,206</b>	

### Notes

1. The outturn figure represents the uplift in expenditure above the provision already in the Development Agreement where the specification was changed by the council.
2. The outturn figure is the net cost charged to the project after the deduction of provision included in other service budget where this is appropriate.
3. Cost of unavoidable works over and above those funded from the Repairs and Renewals fund.
4. The staff costs included here are those relating to technical staff directly responsible for the delivery of the project. All headquarters staff were involved to a greater or lesser extent in planning for and participating in the move to the new building. Non-technical staff costs were funded by a transfer from the revenue budgets which support these staff costs. There was no increase in the council's overall expenditure.