

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

**CORPORATE SCRUTINY COMMITTEE – WEDNESDAY,
9 JUNE 2021**



Title of Report	CORPORATE ACCOMMODATION	
Presented by	Andy Barton Strategic Director	
Background Papers	<u>Cabinet 4 Febuary 2020 – Accommodation Report</u>	Public Report: Yes
Financial Implications	<p>Financial implications are detailed in the report and will be further refined in the business case presented to Cabinet in due course. An update to the Capital Programme to facilitate the changes set out in the report will also come before Council at its September meeting. The preferred approach demonstrates value for money, and is a far more justifiable case than those considered previously with regard to the wholesale replacement of the existing offices on London Road car park and/or a major reconfiguration of the existing building as covered in the report. The capital programme is able to accommodate the envisaged spend (subject to Cabinet and Council agreement).</p> <p>Signed off by the Section 151 Officer: Yes</p>	
Legal Implications	<p>The legal team has been engaged in the development of the proposal, and has provided advice on the WBC tenants, land holdings and access issues. The process followed is a compliant business case and is intended to follow the correct decision making route.</p> <p>Signed off by the Monitoring Officer: Yes</p>	
Staffing and Corporate Implications	<p>The new ways of working and the proposed changes to accommodation work together to deliver us a far more agile, fit for purpose and customer focused council, as well as contributing to a number of Corporate Objectives.</p> <p>Signed off by the Head of Paid Service: Yes</p>	
Reason Agenda Item Submitted to Scrutiny Committee	To review the case for change to Corporate Accommodation provision in advance of Cabinet and Council.	
Recommendations	THE COMMITTEE IS REQUESTED TO MAKE ANY COMMENTS TO BE TAKEN INTO ACCOUNT IN THE PREPARATION OF THE BUSINESS CASE FOR CABINET AT IT'S JULY 2021 MEETING.	

1. BACKGROUND

- 1.1 Members will recall in January 2020 following significant investigative work, a report came before Cabinet considering the future of our core HQ accommodation buildings (ie Stenston House and the 1980s extension). This was prompted by the level of maintenance required for the current HQ buildings, and the way in which their design impinges on the efficient delivery of services to customers and the way a modern workforce operates. A particular issue with the current layout of the building is around its cellular office nature, causing heating, lighting, and ventilation issues, along with an isolated office model being an obstacle to modern working practise.
- 1.2 In summary that report concluded that the 1980s / 90s extension was in effect nearing end of life, and in need of considerable investment to bring it up to a safe and reliable workplace – this included work to heating, lighting, exterior windows, roofing etc – the minimum investment required to correct this was estimated at £4m at that time. This cost was simply to address the defects and end of life elements of the building, in-line with a planned preventive maintenance cycle, and to make it compliant with modern standards. It also outlined the minimal benefit to the Council's Net Zero Carbon agenda in the event these backlog works were undertaken.
- 1.3 Due to the level of investment required, two other further options were considered which enhanced this work to include a major refurbishment, which moved the building into a more open plan and modern working environment, including updating key elements such as the customer experience and chamber etc. This was costed in the region of £7.3m.
- 1.4 A further option was also included which considered the demolition of the 1980s and 90s element and the creation of a completely new council building. This was valued at c£7.8m.
- 1.5 Due to the level of these costs, cabinet decided to call for a cross member working group to consider these options further. Very shortly after this decision the COVID19 pandemic developed and this project was paused as resources were focused elsewhere.

2. NEW WORKING MODEL

- 2.1 As part of the response to the pandemic, a new operating model has been formed in the latter parts of 2020 and has been implemented by the Head of Paid Service. This addressed the way in which the employees will work moving forwards and focused on putting the customer first, along with added agility for our staff.
- 2.2 The key focus of the new working model is that we deliver for our customers (external, internal etc) and it is that which drives our approach. This is supported via a significant IT investment which was made due to the pandemic restrictions, and helps us retain and recruit staff due to this added 'offer'. For staff it releases them from some working restrictions, places greater focus on outcomes rather than where, when and how they work and creates a better work life balance
- 2.3 In relation to accommodation the new model is focused on a hybrid working model of c50% office and c50% remote working. This will obviously differ across the types of service provided and with the focus on customer delivery ensuring it is at least maintained and ideally enhanced. This type of approach is being taken forward across the local government family (including our neighbouring District and County colleagues), as well as in most businesses in response to the impacts of the pandemic.

- 2.4 As part of the new model we are also working with partners to consider how we can further share space with other like services or provide services through other methods including digital and possibly through our town and parish councils. This isn't new to the Council as we already sharing with police, registrars and the Citizens Advice Bureau (CAB), however we are considering how wide that net could be cast to provide a more rounded single point of contact for our communities to public (in its widest sense) services, and where and how this should take place.

3. OUR FUTURE ACCOMODATION AIMS

- 3.1 The above change in context, and set against this model of delivery change, we have revisited the accommodation work paused early last year. In doing so we have reassessed what our needs for office accommodation with the new working model in place would be. But also set this against the wider aims and objectives in the Council Delivery Plan. Particularly the desire to deliver further regeneration in Coalville, and our Carbon Reduction aims. In addition we need to address the financial challenges we face as national funding of councils changes and requirement to close our £5m 'gap' in funding during the next five years, as well as the changing nature of office accommodation and use across our wider estate.

- 3.2 As such we have developed five aims for our accommodation work going forward:

- A. To provide a modern, efficient, accessible, and welcoming HQ accommodation, that focuses on our customers; getting the most out of the time when people come together & maximises the advantages of the new working model
- B. To ensure we embrace the carbon reduction, environmental and regeneration benefits of any changes enabling the Council Delivery Plan
- C. To provide a flexible suite of accommodation to best-suit the needs of today and the future including the continued collaboration with our partners
- D. Assist with making NWL an attractive and modern place to work and helping our staff to achieve a healthy work life balance & presenting the council in as best way as possible.
- E. To reduce our overall costs of running our accommodation, our current liabilities and providing value for money to our tax payers.

4. OPTIONS CONSIDERED

- 4.1 In considering our future accommodation we have reassessed the options already examined in previous work, along with two further options of relocating our core HQ, the future use of Stenson House and two variations of how to provide our customer facing service (one on site and one closer to the customer). These new options assume a reuse of existing NWL assets in preference to new build.

- 4.2 These options have been assessed against the objectives set out in Section 3, plus a consideration of the disruption to deliver the option, this is to ensure that we consider the impact of delivering those options and the impact on staff, members and customers. The below table sets out the resulting ranking of this work. Annex A provides a summary of the assessment work undertaken and how the ranking was achieved.

Option	Description	Rank
1	Minimum Updating Works to become compliant, safe and address maintenance.	5
2	Option 1 + refurbishment of existing building focused on customer and open plan	4
3	New Build on existing site	3
4	Relocation of Core HQ, Stenson House to become a civic hub incorporating Customer Services	2
5	Relocation of Core HQ, Stenson House to become a civic hub, Customer Service provision closer to the customer.	1

4.3 From the above table and the assessment work leading to it, it is clear that option 5 ranks the highest of all options assessed. There is a meaningful and significant gap in scores between this and the next nearest option illustrating this options strength. It therefore forms the preferred option moving forwards. The next stage of the work then moved on to consider how this preferred option could be delivered.

5. PREFERRED OPTION

5.1 The preferred option as set out above consists of 3 major changes:

- Relocation of HQ functions to elsewhere in the Councils estate
- Refurbishment of Stenson house to become a civic/democratic hub
- Relocation of Customer services closer to the customer

5.2 Head Quarters relocation

5.3 As part of taking the preferred option forward a review of the existing estate was conducted. The only alternative location suitable asset is the Whitwick Business Centre (WBC). This was opened in 1998 with the concept of supporting local businesses developing and progressing. However since 2015 the use of the building has gradually dropped, alongside a dwindling income stream for the council. At present it is just under 50% occupied by space with 12 tenants remaining, and it remains relatively difficult to let due to competition and the changing requirements of future tenants. It is fair to say that the asset also requires some remedial maintenance over the short/medium term.

5.4 Whilst the WBC was built using grant funds, and following legal and conveyancing investigations, as far as we are aware any conditions on the future use of the building from this point on are free from any restrictions, covenants or the like. As such to take the preferred option forward we are proposing to empty the WBC for a full refit as part of this process and then consider future letting options for any space we do not require for the HQ functions. In line with the aims of this piece of work this will be focused on other public sector.

5.5 Just prior to the publication of this report the current tenants were written to informing them of our likely intention to empty the WBC. We will be undertaking individual meetings

with the tenants over the future weeks and will create a package of support to assist in their relocation. The rest of this section assumes that vacant possession will be achieved from the point at which we need to commence enabling / construction works on site.

5.6 To achieve the aims of the accommodation work we are looking to make WBC a modern open plan workspace which provides a core hybrid working environment for when officers need to come together. Due to its construction type it is ideally suited to being retrofit into the style envisaged by the project. The focus of this building will be the back office staff functions of the council. At the meeting of the committee we will present more detail on the current developed plans, however in summary :

- use of the upper floor of WBC as the new HQ (lower floors ideally reserved for future partner(s))
- Total refit of the building including refitted toilets, showers, lift and central amenities
- Provision of new kitchens, relaxation and communal informal meeting spaces
- Provision of formal meeting space at 1:1 level and larger meetings to allow confidential working and/or discussions to take place.
- Facilities to make video calls without disrupting others within the office space.
- Central 'hub' at ground floor level to give alternative location for breakout / collaboration with colleagues and partners and informal meetings.
- Provision on new outside spaces for business use
- Furnishing with an appropriate mix of desk, touch down and group working spaces In line with the new working model capacity of c120 people at any one time (this is a validated figure based on real office use pre pandemic and staff surveys on working type and style in light of the new working model)
- Electric charging points for vehicles, Solar panel feasibility, Upgrades to the thermal envelope and a general upgrade to the carbon credentials of the building.

5.7 Refurbishment of Stenson House

5.8 The second element of this option will include a refitted Stenson House to establish a civic and democratic hub for Member-related activity. The building itself whilst not listed, sits within a conservation area. It is also a very traditional construction type which inhibits any major changes to the fabric of the building without significant disruption and cost. The focus for this building will be all civic/political meetings/events.

5.9 At the current time the majority of the ground floor is leased to either CAB or the registrar service. We do not intend on changing this approach. As the preferred option includes the relocation of the 1980s/90's office block, we will however need to gain access through the original 'front door' of Stenson House, as the 'linking corridor' will be removed. More detail on the approach will be given in the presentation at the committee meeting, however the changes in summary are :

- Provision of new access to upper floor by reinstating the existing front access and removal of the linking corridor to the rear

- Reinstatement of external façade at rear of building once the 1980s / 90s block is fully decanted.
- Provision of a new disabled access lift from the ground floor lobby to the first floor providing greater accessibility
- Complete redecoration and refit of core elements of the building
- Provision of meeting and gathering rooms for members (informal and formal) to enable committees and group/surgery meetings to take place
- Complete refit on the chamber, including IT and new movable furniture to ensure its future longer term use and flexibility.
- Relandscaping of the exterior and retention of the London Road car park

5.10 Relocation of Customer Services to a Town Centre Location

5.11 A key part of the new working model is to provide a modern customer service experience. During the pandemic has been clear that the vast majority of our customers are able to access our services remotely. This will continue to be our core provision going forward and we will widen this as set out in the Council Delivery Plan to other channels such as webchat etc. This will be supported by enabling where we can other options for connecting with us, for example drop in video conferencing etc in some parish/town locations – this will be part of the wider roll out of other contact options over time.

5.12 However we are also aware that some of our customers prefer an element of ‘drop in’ face to face service or via appointment, and some require ‘urgent’ access. To ensure that we bring our services closer to our customers we will seek to locate a new customer service centre in Coalville town centre. This will help to support the town centres regeneration (by increasing footfall), supporting town centre landlords, and make us more visible to the public. As with the other elements more will be provided via a presentation at the meeting, however in summary :

- We will relocate our customer service ‘front door’ to Coalville Town centre
- This will enable us to triage drop in service requests, face to face meeting, and enable key partners to provide a co-located front door (for example the police as now in our current buildings)
- It will include automation/electronic provisions of service (eg kiosk) alongside face to face and remote contact to officers where needed (no matter where they are working from)
- We envisage this will be provided for the medium term, with a review in c5 years so that we are able to keep up with changing demands and trends in customer service.

6. DISPOSAL OF HQ SITE

6.1 As part of the preferred option we will vacate the current 1980s/90s building off Whitwick Road. As set out above the linking corridor from this building will be removed as part of the Stenson House refit. Demolition of the building will take place once the other works have completed.

- 6.2 The future use of the site will be reserved for further consideration through the normal council process, however it should achieve objectives contained in the Council Delivery Plan and be focused on regeneration of Coalville and/or housing delivery. Assuming the latter a broad expected net receipt has been factored in to the financial appraisal of the project and is anticipated to be in the region of £1.2m. This will be subject to a more detailed marketing exercise as the programme develops.
- 6.3 The demolition of the building will ensure that the access to the houses that currently hold access licenses are retained, along with access to the Bowls Club. It is likely that this will be achieved from the London Road car park to ensure as cohesive a site as possible. These parties have been informed of our intention.

7. FINANCIAL ISSUES

7.1 Appendix B sets out the summary financial position for Option 1 (the do minimum option that is currently included within the Capital Programme) and Option 5 (the preferred option set out in this paper). This has been based on an assessment of our current running costs with prudent assumptions for how costs may change if the preferred option is adopted. These assumptions include:

- A 52% reduction in running costs of the Council Offices and Stenson House.
- Additional running costs of c£45,000 per year for the new premises in Coalville.
- The loss of all the income from the Whitwick Business Centre, which is budgeted to be £210,000 in 2021/22. The average income for the past three years has been lower than this, at £170,000 per year.
- Capital costs of £2.8 million to deliver the changes set out in this report + contingency.

7.2 This analysis estimates that the council will see annual revenue savings of £23,600 by adopting the preferred option, which is a saving of 4.6% compared to refitting of the HQ offices (option 1). The net capital costs for option 5 are estimated to be £2.18 million lower than in the current 5 year capital programme, representing a 58% reduction in capital costs.

7.3 The net present value, which assesses all the future cashflows associated with the life of a project, is estimated to fall from -£28.6 million over 50 years for option 1 to -£16.7 million for option 5. This is, in effect, a reduction in costs of £11.9 million over 50 years in today's terms.

7.4 These figures demonstrate that there is a strong finance case for the preferred option. However, these figures are estimates and whilst the assumptions are considered prudent, there are always risks of additional unforeseen costs, or savings not being fully realised. Stress testing of the most sensitive assumptions shows significant room for error, as option 5 remains the financially preferable option even if the total project costs and the new running costs of the Stenson house and the new Coalville premises were to increase by 100%.

8. OUTLINE BENEFITS & RISKS

8.1 Benefits

The following table attempts to capture the key outcomes and benefits arising from this programme of work.

Outcomes	Potential Benefits
Provide new office accommodation for Council staff at Whitwick Business Centre	<ul style="list-style-type: none"> • Improve working environment for Council Staff and hence the well-being of staff • Provide more appropriate work environment based on current and future ways of working • Provide flexible collaboration and team working areas (including external spaces) • Provide better environmental controls, leading to improved staff satisfaction • Improve staff retention & recruitment – people want to work in better offices • Refurbished offices will help support Carbon Reduction targets by providing more efficient environment • Maintain revenue from Registrars and CAB at Stenson House
Provide new Customer Services Centre	<ul style="list-style-type: none"> • Improve Customer Service Experience, providing a modern, purpose-built environment tailored for service delivery needs now and in the future • Make it easier for public to access council services – improved satisfaction, less complaints • Dedicated town centre location ‘front door’ for customer facing activity generating increased footfall • Incorporate modern service delivery proposals, such as ‘self-service’ functions • Potential for greater joint service provision with other public sector partners
Demolition of existing Council Building	<ul style="list-style-type: none"> • Reduction in ongoing revenue costs • Reduced requirement for future maintenance • Unlocks land for future development/sale, providing capital receipt to help financially support development proposals and increase regeneration aims
Wider Social Value	<ul style="list-style-type: none"> • The programme will ensure the use of local labour and local suppliers wherever possible – thus maximising the amount of local spend as a result of the Council’s investment • Creation of construction job opportunities as a result of the Council’s investment • Regeneration and increased footfall of Coalville Town Centre

8.2 Risks

The team have prepared a detailed programme-wide risk register although the table below captures the key macro risks that Members should be aware of at this stage:

Risk Name	Risk Description	Treatment Action
Reputational damage	Public opinion does not support the Council investment in offices and it is not seen as 'value for money'	Communication/Engagement plan developed that identifies the benefits of the proposals for the community as a whole, including reduction in operational costs & efficiency savings
Business Continuity	Impact on Council Services during refurbishment works	Developed plans to include any required decant strategies and also phasing to ensure minimal disruption to services
Impact on Customer Service	Council Services can not be efficiently delivered from new accommodation	Stakeholder engagement to include customer service teams (and customers) to ensure that developed plans are cognisant of all current issues and suitable for the future. New Customer Strategy to be developed alongside changes.
Insufficient Budget	Approved budget is not aligned with project costs	Proposed overall project costs (including potential savings, disposal costs, revenue savings, etc) to be reviewed with Finance department to ensure that the proposals are affordable. Following approval of the budget, robust cost control to be implemented and proposed costs revised throughout the design development phases
COVID	Further outbreaks of COVID (including new variants) impacts on the availability of materials or labour (including impacting on the performance of 3rd parties)	Continual review of Government and Construction Leadership Council COVID guidance. Programme to be developed that allows sufficient time for activities to take place. This will include the impact of maintaining social distancing on construction sites if this is likely to be a requirement
Capital Receipt	The capital receipt arising from the disposal of land occupied by Council Offices adjacent to Stenson House is not achieved within forecasted proceeds resulting in additional funds required which could ultimately require additional borrowing	Preferred option is still the most cost effective without the income. Early engagement with Property Consultant to gauge market interest and appetite for the land and manage the sale.

Lease	Lease for customer services cannot be agreed in time or terms are deemed to be too unfavourable for council. Alternative Customer Services Centre required, potentially impacting on cost and programme	Engage services of Property Consultant to support Council during lease negotiations. Agree Heads of Terms as soon as the approval is received for the preferred option
Tenants	The for some or all of sites we are not able to negotiate appropriate agreements with tenants	Early notification and engagement, enhancement and support packages to help transitions required for the preferred option.

9. DECISION MAKING & DELIVERY

9.1 The decision making approach for this relocation is set out through the constitution. In summary this is :

- Corporate Scrutiny (this meeting) - comments on the principle, broad approach etc
- Cabinet (27 July 2021) – decision to move forward (or not) with the changes set out above on receipt of business case, and request to Council for changes to the capital programme
- Council (7 Sept 2021)– decision on the changes to the capital programme

9.2 Once the project is approved, the commencement of informal consultation will also commence with members & staff to address the practicalities of design, style etc.

9.3 In terms of delivery it is likely that the work for the three elements of the preferred option will run concurrently. Whilst it is subject to further detailed work, this broadly would result in the following date (these are tentative at present):

- Works to Stenson house completing in Spring 2022
- Move to WBC Spring 2022
- Customer Service centre Winter 2021

Policies and other considerations, as appropriate	
Council Priorities:	<ul style="list-style-type: none"> - Supporting Coalville to be a more vibrant, family-friendly town - Developing a clean and green district - Our communities are safe, healthy and connected
Policy Considerations:	Corporate Disposals Policy will be followed in disposing of any asset
Safeguarding:	n/a

Equalities/Diversity:	The new spaces created will be accessible to all users from a DDA perspective and will incorporate the required technology for those with hearing aids / supportive hardware etc. EIA will be completed as part of Business Case and ongoing as appropriate.
Customer Impact:	As detailed in the report the intention is to move our Customer Service provision closer to our communities and improve the overall provision. Further work on our Customer Services Strategy will also take place in tandem.
Economic and Social Impact:	Detailed in the report
Environment and Climate Change:	As Detailed in the report the proposed changes will positively impact on our Carbon Reduction aims.
Consultation/Community Engagement:	We have commenced consultation with our current tenants at WBC, and the premises with access off the rear of the car park to inform them of our plans and how we will be maintaining access for them. Internal consultation will also take place as detailed in the report.
Risks:	As detailed in the report
Officer Contact	Andy Barton Strategic Director Andy.barton@nwleicestershire.gov.uk

Annex A – Summary of options assessment

Set out below are summaries of the assessment work undertaken to consider the options for accommodation provision in line with the aims for our future accommodation as set out below. In addition an assessment of relative disruption is also considered.

- A. To provide a modern, efficient, accessible, and welcoming HQ accommodation, that focuses on our customers; getting the most out of the time when people come together & maximises the advantages of the new working model
- B. To ensure we embrace the carbon reduction, environmental and regeneration benefits of any changes enabling the Council Delivery Plan
- C. To provide a flexible suite of accommodation to best-suit the needs of today and the future including the continued collaboration with our partners
- D. Assist with making NWL an attractive and modern place to work and helping our staff to achieve a healthy work life balance & presenting the council in as best way as possible.
- E. To reduce our overall costs of running our accommodation, our current liabilities and providing value for money to our tax payers.

The Scoring matrix deployed is set out below, enabling a relative and therefore comparative assessment between options. The maximum possible score is 18.

Score	Contribution to Aim
0	Fails to meet in any significant way
1	Low
2	Medium
3	High

Option 1	Minimum Updating Works to become compliant, safe and address maintenance.	Total Score: 6/18
Aim (simplified)	Commentary	Score
A – Modern working	Largely remains as is, improve heat, air etc.	0
B – CDP contribution	Minimal environmental improvement through greater efficiency, no impact on regeneration	1
C – Flexibility & partners	Will improve some flexibility but minor in comparison to other options	1
D – Attractive	Not addressed in any meaningful way	1
E - Costs	Compared to others minor or low impact	2
Minimises Disruption	Medium high, refitting existing building whilst occupied. Can be managed but will undoubtedly impact.	1

Option 2	Option 1 + refurbishment of existing building focused on customer and open plan	Total Score: 8/18
Aim (simplified)	Commentary	Score
A – Modern working	Improve heat, air etc, reprovision of customer services in modern way, opening up of cellar offices. Will however be limited by construction type of existing buildings.	2
B – CDP contribution	Minimal environmental improvement through greater efficiency, no impact on regeneration	1
C – Flexibility & partners	Will improve some flexibility but low in comparison to other options – but better than current.	2
D – Attractive	Provides a better environment – but will be limited by existing locations and build types	2
E - Costs	Compared to others high cost	1
Minimises Disruption	Significant, involves in effect rebuilding elements of the existing buildings totally from the inside. Worst of all options for this element.	0

Option 3	New build option	Total Score: 10/18
Aim (simplified)	Commentary	Score
A – Modern working	Offers best opportunity as custom designed space, customer location however is still edge of town.	2
B – CDP contribution	Greatest possibility for improvements on environmental/carbon elements, however regeneration is questionable as no/limited options released	2
C – Flexibility & partners	Will improve some flexibility but will trade off against cost and ability to provide.	2
D – Attractive	Probably the best option in terms of ability to influence, however site is limited on existing edge of town centre location	2
E - Costs	Compared to others highest cost	0
Minimises Disruption	Whilst plan developed considered reusing space on sites to enable construction to take place whilst still inhabiting old site, disruption will still occur.	2

Option 4	Relocation of Core HQ, Stenson House to become civic hub incorporating Customer Services	Total Score: 11/18
Aim (simplified)	Commentary	Score
A – Modern working	Offers the potential for equally as good as custom build if right location and building. Customer location is not ideal, but satisfactory.	2
B – CDP contribution	High possibility for improvements on environmental/carbon elements, regeneration opportunities are supported assuming freeing of old HQ site.	3
C – Flexibility & partners	Will improve some flexibility but will trade off against size of alternative location. Would remove existing partners in Stenson house to enable space required for customer services.	1
D – Attractive	Has the ability to provide attractive workspaces. Customer services however remains edge of town centre location.	2
E - Costs	Compared to other options second lowest in cost terms	2
Minimises Disruption	Whilst HQ relocation is to an alternative site, the disruption to Stenson House is significant and medium term (min 6 months building close) due to the type and level of works required	1

Option 5	Relocation of Core HQ, refurbishment Stenson House to become civic hub, town centre Customer Service provision.	Total Score: 17/18
Aim (simplified)	Commentary	Score
A – Modern working	Offers the potential for equally as good as custom build if right location and building. Customer location is as close as possible to core of town centre	3
B – CDP contribution	High possibility for improvements on environmental/carbon elements, regeneration opportunities are supported assuming freeing of old HQ site and TC location for Customer Services in Coalville.	3
C – Flexibility & partners	Will improve some flexibility but will trade off against size of alternative location. Customer Service central location will be attractive to partners	3
D – Attractive	Has the ability to provide attractive workspaces. Customer services in town centre adds considerably to visibility and ability to contact	3
E - Costs	Compared to other options lowest in cost terms	3
Minimises Disruption	HQ relocation is to an alternative site, Stenson House works are relatively minor in disruption terms. New Customer Services provision gives opportunity to make phased moves enabling greater flexibility. New HQ may mean some disruption to any existing tenant.	2

Annex B – Summary of Financial Impact of the Options 1 and 5.

Estimated Annual Revenue Position

	Option 1 Maintain	Option 5 Preferred option	Estimated Saving/(cost)
Total Building Runnings costs	695,000	505,000	190,000
<i>Council Offices and Stenson House</i>	<i>490,000</i>	<i>255,000</i>	<i>235,000</i>
<i>Whitwick Business Centre</i>	<i>205,000</i>	<i>205,000</i>	<i>-</i>
<i>Coalville Town Centre Site</i>	<i>-</i>	<i>45,000</i>	<i>-45,000</i>
Total Income	-253,000	-43,000	-210,000
<i>Council Offices</i>	<i>-43,000</i>	<i>-43,000</i>	<i>-</i>
<i>Whitwick Business Centre</i>	<i>-210,000</i>	<i>-</i>	<i>-210,000</i>
Capital Financing Costs	74,800	31,200	43,600
<i>Minimum Revenue Provision</i>	<i>74,800</i>	<i>31,200</i>	<i>43,600</i>
Net Revenue Cost	516,800	493,200	23,600

Estimated Five Year Capital Position

	Option 1 Maintain	Option 5 Preferred option	Estimated Saving/(cost)
5 year capital costs	3,740,000	2,760,000	980,000
Anticipated Capital Receipt	-	-1,200,000	1,200,000
Net Capital Cost	3,740,000	1,560,000	2,180,000

Financial Appraisal Position

	Option 1 Maintain	Option 5 Preferred option	Estimated Saving/(cost)
50 Year Net Present Value	-28,630,000	-16,700,000	11,930,000