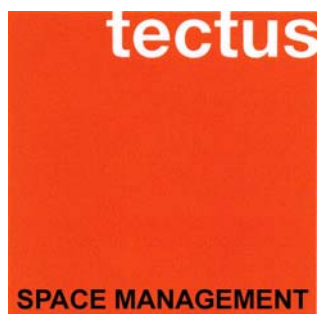




OFFICE ACCOMMODATION STAGE ONE FEASIBILITY REPORT

October 2003



CONTENTS	PAGE
0.0 EXECUTIVE SUMMARY	3
1.0 INTRODUCTION	5
2.00 SPACE AUDIT UPDATE	5
3.00 SIZE AND OUTLINE SPECIFICATION FOR NEW OFFICE BUILDING	7
4.00 POSSIBLE SITES FOR NEW OFFICE BUILDING	8
5.00 POTENTIAL USE OF EXISTING SITES	10
6.00 OPTIONS APPRAISAL	10
7.00 OBSERVATIONS ON FUNDING ISSUES	12
APPENDIX: OPTION APPRAISAL MODEL	15
NOTES TO OPTION APPRAISAL MODEL	19

0.0 EXECUTIVE SUMMARY

- 0.1 This report is an investigation into the feasibility of improving the Council's office accommodation. Its scope is high level and technical matters such as planning use, site investigation, departmental space requirements, future working methods, procurement and timetable would need to be investigated in further detail before firmer conclusions and recommendations can be made.
- 0.2 The key findings from our investigations are presented below.
- 0.2.1 There has been a 13% increase in the number of Council office workplaces accommodated since 2000.
- 0.2.2 There has been a significant decrease in the average amount of space allocated to each workplace within the key office buildings.
- 0.2.3 As at July 2003 the Council has 5036.6 sqm of general office space accommodating 385 workspaces at an average of 13.1 sqm per workspace.
- 0.2.4 Shared support space such as meeting rooms has been given up in order to accommodate the increase in desk space.
- 0.2.5 The Council has reached 'saturation' density and any further increase in the number of workplaces accommodated would lead to even further loss in staff comfort levels.
- 0.2.6 Existing office buildings are an increasing liability being dispersed for staff and customers; expensive to maintain and operate; have poor disability access.
- 0.2.7 Retaining the existing office buildings will return poor value for money compared with occupying new premises.
- 0.2.8 Our estimate for the size of a new Council office headquarters based on current industry 'benchmarks' for accommodating 390 workspaces is:
- 6,240 sqm net for a building without a Council Chamber;
 - 6,852 sqm net for a building with a Council chamber.
- 0.2.9 A new building would have the following benefits:
- improved customer service
 - improved disabled access
 - more energy efficient
 - reduced facilities management cost
 - improved member accommodation
 - improved staff working conditions
 - greater flexibility in space planning and use over time
- 0.2.10 Middle Brook Car Park offers more advantages than others considered to date as a possible site for new Council premises.
- 0.2.11 Existing sites – City Offices and Car Park, Avalon House, Abbey Mill and Hyde RC, could be sold either before or after redevelopment to help fund new offices.

0.2.12 Five options for improving the Council's office accommodation have been appraised:

1. Do nothing
2. Retain and improve existing buildings
3. Redevelop City Office site
4. Redevelop Middle Brook Car Park without a new Council Chamber
5. Redevelop Middle Brook Car Park with a new Council Chamber

0.2.13 Options 4 and 5 although having the highest monetary cost also have the greatest net benefit. They score the highest in all the overall quantifiable non-monetary and unquantifiable costs and benefits, except in quantifiable non-monetary costs where they rank second. Option 4 scores more favourably than Option 5 nevertheless both Options 4 and 5 potentially release part of the Middle Brook Street site for other development opportunities

0.2.14 The funding issues arise as a gap between the sale of existing sites and the estimated project costs. These could be addressed by a combination of space management strategies, for example:

- maximising the scope of any new development by including an element of housing;
- reducing the amount of office space required through introducing more flexible working methods that include an element of home-working.

1.0 INTRODUCTION

1.1 Background

Tony Langridge Chief Estates Officer at Winchester City Council has asked Paul Stansall of Tectus assisted by Roger Morris of Sprunt to undertake a feasibility study for improving the Council's office accommodation. A previous report entitled 'Strategic Space Guidance' produced by Tectus in March 2000 for the Council, forms part of the background to this feasibility study.

1.2 Scope

Our feasibility study has addressed the following areas of investigation:

- 1 Updating the March 2000 space audit
- 2 Evaluating the potential use of existing sites
- 3 Identifying and costing the maintenance and repair liabilities at existing sites
- 4 Determining the size, outline specification and built cost of a new single office
- 5 Identifying where reduced running costs may arise with a new office building
- 6 Identifying possible sites for a new office building
- 7 Identifying the tangible and non-tangible benefits arising from a new building
- 8 Producing an indicative project timetable

1.3 This report brings together under single cover our findings on:

- the office space aspects of the study
- an appraisal of the costs and benefits associated with the options available to the Council for improving its office accommodation

Background reports on the detailed costing aspects of our investigation have been dealt with under separate cover by Roger Morris of Sprunt as follows:

- Summaries of 15 year maintenance costs cycle - August 2003
- Indicative estimate existing City Offices - August 2003
- Indicative estimate Middle Brook Street Site - August 2003
- Option Appraisal - August 2003

1.4 Acknowledgements

The project team – Tony Langridge, Paul Stansall and Roger Morris, would like to thank the staff and members of the Council who have helped us in our investigations.

2.0 SPACE AUDIT UPDATE

2.1 The following buildings were included in our update:

1. City Offices and Annex
2. City Offices Colebrook Street
3. Guildhall Parts
4. Abbey House Parts
5. Abbey Mill
6. Avalon House
7. Hyde House and Barn (HRC)

Following a walk around the office buildings and an analysis of the most recent office space plans provided by Stuart Marks of Finance, a comparison of the 2000 and 2003 occupancy data was undertaken.

2.2 The key findings are presented below:

- 2.2.1
- There has been a 13% increase in the number of Council office workspaces accommodated since 2000. The table below illustrates the changes that have occurred within each building.

Location	2000	2003	Difference
City Office	162	194	+32
City Office Annex	32	38	+6
60 Colebrook Street	6	9	+3
Guildhall GF Parts	10	16	+6
Abbey House Parts	1	1	0
Abbey Mill	48	23*	-25
Avalon House	70	92	+22
Hyde House	13	13	0
Hyde Barn	4	4	0
	346	390	+44

*The total occupancy figure for Abbey Mill is 35, if the current 12 tenant workspaces are added.

- 2.2.2
- There has been a significant decrease in the average amount of space per workspace within the key office buildings. See table below.

Location	Sqm NIA	2000 sqm/workspace	2003 sqm/workspace	% Difference
City Office	2370.2	14.6	12.2	-16.9
City Office Annex	373.7	11.7	9.8	-16.2
60 Colebrook Street	87.1	14.5	11.3	-22.1
Guildhall GF Parts	229.3	22.9	14.3	-37.6
Abbey House Parts	232.3	232.3	232.3	0
Abbey Mill	532.9	11.1	23.2	+109
Avalon House	1122.1	16.0	12.2	-23.7
Hyde House	321.3	24.7	24.7	0
Hyde Barn	594.6	148.6	148.6	0

- 2.2.3
- Subtracting Abbey House and Hyde Barn from the total amount of space shows that as at July 2003 the Council has 5036.6 sqm of general office space accommodating 385 workspaces at an average of 13.1 sqm each.

This average figure includes for space allocated at the immediate workplace plus a share of the space allocated to support facilities such as meeting rooms, storage, IT, public reception areas and the main circulation routes throughout each building.

- 2.2.4
- In our walk through the buildings and our examination of the most recent space plans it was evident that since our last visit in 2000 some of this shared support space had been given up in order to accommodate the increase in desk space.

- 2.2.5
- Our conclusion is that the Council has reached 'saturation' density and any further increase in the number of workplaces accommodated would lead to even further loss in staff comfort levels.

3.0 SIZE AND OUTLINE SPECIFICATION FOR A NEW OFFICE BUILDING

- 3.1 To estimate how much a new building may cost depends on its size, specification and location. The size of an office building is a function of the number of desks that need to be accommodated plus the space required away from the desk for meeting, storage, IT, reception, post-room, conference facilities etc. plus space for circulating around the building.
- 3.2 It is too early in the Council's investigations to try to build a 'bottom-up' picture of the total amount of space required for several reasons. Not least is that the Council would need to predict some three to four years into the future what its size, structure and working methods are going to be. This study is the first phase of the Council's deliberations on office space. Accordingly, we have taken a 'top-down' view of how much office space the Council may need guided by data used across the industry. This is intended to give the Council a broad idea of how much and what type of space is required before a more detailed 'bottom-up' exercise involving discussions with users is carried at the next stage of work, if the Council decides to go ahead with a new building.
- 3.3 Published surveys and best practise guidance suggest that a notional amount of space per workplace is an acceptable way of forecasting the total amount of office space an organisation may need. The British Council for Offices recommends that 14 sq. metres per workspace/person is appropriate for designing new commercial office buildings. The Gerald Eve survey of 2001 concludes that the average amount of space provided per workplace across their UK sample is 18 sq metres. Our own data on public sector HQ buildings that we use to advise such organisations as the National Audit office shows that 17 to 20 sq.m per workspace is the range within which government HQ buildings have recently been space planned. All these average figures make an allowance for providing office space away from the desk for meeting, storage, reception, post-room etc. and also for the main circulation spaces throughout an office building. These figures represent the net internal area (NIA) required. Construction costs are based on making additional space allowance for such items as toilets, stairways, lifts and lobbies and building services plant. Adding these items to the net internal area gives the gross internal area of an office building. According to the BCO an efficient office building should have a net internal to gross internal floor area ratio of between 80-85%.
- 3.4 For our purposes here two figures for the net internal floor area have been used: a figure of 16sqm NIA per workspace has been used to calculate how much space the Council would need to occupy a new HQ without a council chamber; a second figure of 17.6 sqm NIA per workspace has been adopted to allow space for a council chamber.
- 3.5 The number of office desks currently provided within the office buildings examined is 390. The information provided by Alison Gavin, Director of Personnel, on the number of office based employees in post plus contract staff is 374. For the purposes of this exercise it has been decided to estimate the size of a new office building based on a 390 workspaces. It assumes for the moment that each person employed has a desk. It does not preclude changing this assumption at a later date, if new ways of working with some desk sharing was thought to be desirable.

3.6

Our estimate for the size of a new office building for the Council is as follows:

- 6,240 sqm net internal area for a building without a Council Chamber
- 6,852 sqm net internal area for a building that would include a new council chamber.

The equivalent gross internal floor areas for these two sizes of office buildings, using the British Council for Offices design guidance would be approximately 17.5% larger to allow space for toilets, staircases, lifts, lobbies and building services. So a building of 7,332 sqm GIA or a building of 8,061 sqm GIA would be required depending on whether or not a council chamber is to be included.

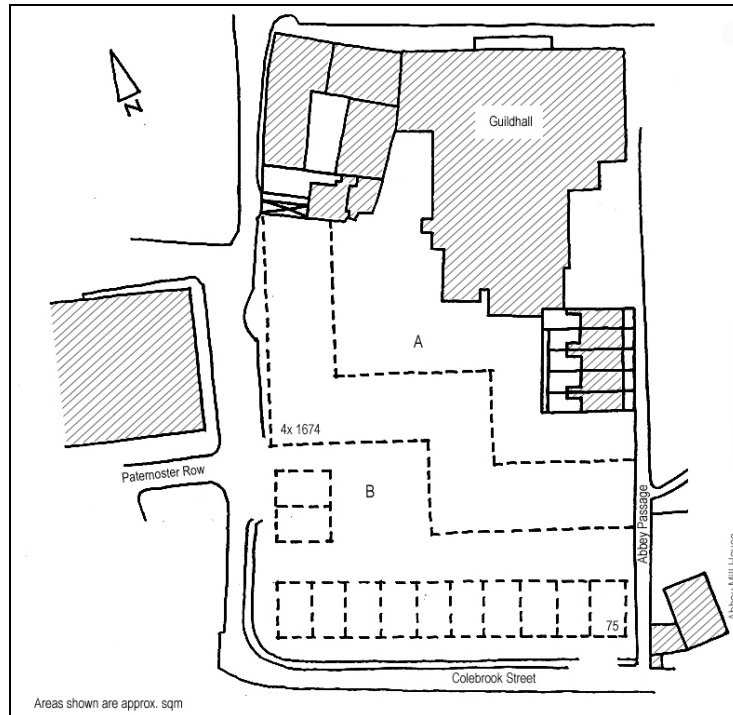
3.7 Our proposed outline specification for a new office building occupying the Middle Brook Car Park site includes the following key features.

- Up to four storeys high
- Low energy design with a good or better BREEAM rating
- To maximise the benefits of fresh air, views out and daylight into the building
- Naturally ventilated general office areas with air conditioned council chamber
- High-quality, long-life finishes
- Built-in flexibility to accommodate future change (churn)
- Inclusive accessibility (disabled friendly)
- Staff restaurant with public access to internet services
- Accommodation for Members working
- Open-plan workspaces at 7.0 sqm each
- Offices for Directors, Chief Officers and some section heads
- A meeting/quiet working room for every 25 workspaces
- A single large multi-service public reception
- Staff break-out areas on each floor
- Small Crèche facility
- Disabled and cycle parking on site

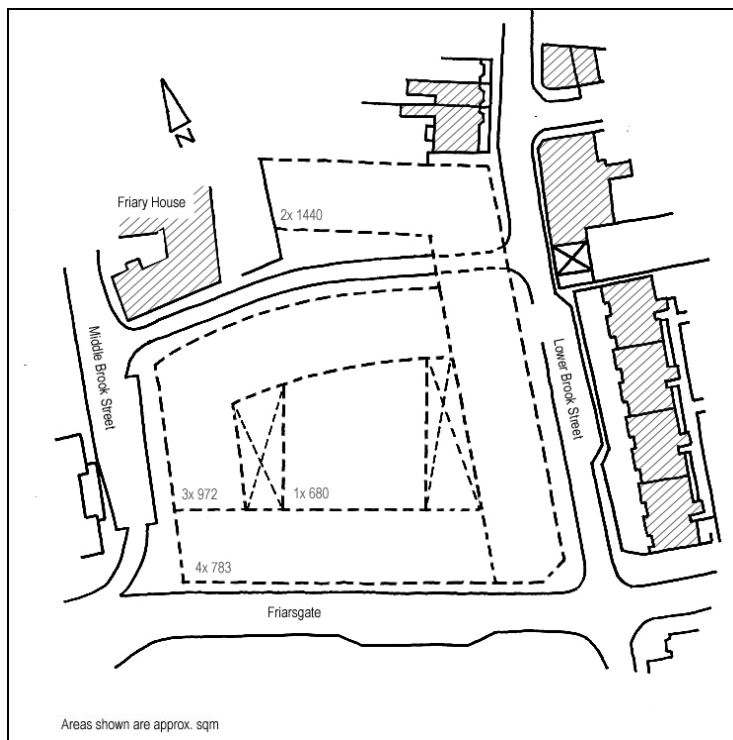
4.0 POSSIBLE SITES FOR NEW OFFICE BUILDING

4.1 Three locations have been considered as possible sites for a new office building: City Offices, Middle Brook Car Park and Chesil Street. A fourth possibility could be within the proposed Broadway/Friarsgate development. Another option could involve arrangements made with the County Council however discussions with the County over their proposed plans reveal that they are at too early a stage to include here.

Illustrated below are possible options for configuring the footprint for a new office building on the City Offices and Middle Brook Car Park sites.



Existing City Offices site (Option 3) - a four storey office building of 6,696 sqm gross internal floor area, utilising the present Guildhall chamber on a site that either retains some parking or includes some housing development of some 36no. units.



Middle Brook Car Park (Options 4 and 5) – an office building that could be either 7,332 sqm or 8061sqm gross internal floor area, depending on whether or not a Council Chamber is included and between two and four storeys high with limited car parking

5.0 POTENTIAL USE OF EXISTING SITES

- 5.1 The future use of the City Offices, Avalon House, Abbey Mill and Hyde RC sites was explored in terms of their potential for housing development. This could enable the Council to seek advice on their potential market value and provide it with a possible source of finance for any proposed improvements to its office accommodation. It should be stressed that the results which are illustrated here are preliminary only and we would strongly recommend further technical studies be carried out before firm conclusions be drawn. Nevertheless our preliminary results show that:
- City Offices-Guildhall site could accommodate some 72 new two-bed units on the site of the present City Office complex and Colebrook Street public car park;
 - Avalon site could accommodate some 12 new two-bed units on the car park and some 16 converted one and two-bed units within the existing office building;
 - Abbey Mill could accommodate some 7 converted one and two-bed units;
 - Hyde HRC could accommodate some 8 new two-bed units and some 12 converted units in the existing house and barn.
- 5.2 Each of these development propositions was discussed with the Council’s Planning Department to obtain their initial observations and comments. No objections in principle were raised against the outline proposals presented. It was noted that any future development of the Abbey Mill and Hyde HRC sites would raise issues concerning building conservation.
- ## 6.0 OPTIONS APPRAISAL
- 6.1 The costs and benefits of five options have been appraised in order to help the Council identify the most advantageous strategy for improving its office accommodation.
- 6.2 **Option 1** would involve doing nothing except day-to-day responsive repairs and planned maintenance to the existing office stock.
- 6.3 **Option 2** would retain the existing office buildings, include day-to-day responsive repairs and planned maintenance but also make some improvements (see betterments within the appendix).
- 6.4 **Option 3** involves redeveloping the existing City Offices site and providing 6,696 sqm gross internal area of new office space to accommodate 356 workspaces. Avalon House, Abbey Mill and Hyde RC would be released for sale.
- 6.5 **Option 4** would involve redeveloping Middle Brook Street Car Park to provide 7,332 sqm gross internal area of new office accommodation with 390 workspaces. Again Avalon House, Abbey Mill and Hyde RC could be released for sale.
- 6.6 **Option 5** would also involve redeveloping Middle Brook Street Car Par but would provide 8,061 sqm gross internal area to accommodate a new Council Chamber along with 390 workspaces. As before existing office buildings could be released for sale.
- 6.7 Clarification of the above options together with an appraisal of the quantifiable and non-quantifiable costs and benefits are provided within the appendix. All monetary costs are based on a fifteen-year cycle.
- 6.8 Conclusion – Options 1 and 2 although having the least monetary cost have no monetary benefit (Option1) and relatively small monetary benefit (Option 2). Both options also score very poorly in relation to quantifiable non-monetary and unquantifiable benefits. Option 3 which scores significantly higher than Options 1 and 2 does have a high monetary cost although this is more than eliminated by the effect of the monetary benefits. Options 4 and 5 although having the highest monetary cost also have the greatest net benefit. They score the highest in all the overall quantifiable non-monetary and unquantifiable costs and benefits, except in quantifiable non-monetary costs where they rank second. Option 4 scores more favourably than Option 5, nevertheless both Options 4 and 5 potentially

release part of the Middle Brook Street site for other development opportunities

- 6.9 Details of the quantifiable monetary costs and benefits have been reproduced from the appendix and represented in Tables 1 and 2 below to help the reader with the commentary that follows.

TABLE 1
QUANTIFIABLE MONETARY COSTS

	Option 1	Option 2	Option 3	Option 4	Option 5
	Do nothing	Planned Maintenance + Betterment	Redevelop City Office site	Redevelop Middle Brook Car Park without new Council Chamber	Redevelop Middle Brook Car Park with new Council Chamber
No. workspaces provided	385	385	356	390	390
Gross internal floor area sq.m	5750	5750	6696	7332	8061
Net internal floor area sq.m	5037	5037	5692	6240	6852
Net internal floor area added sq. m	0	0	655	1203	1815
	£	£	£	£	£
Existing Offices					
Day to day responsive repairs	779,100	779,100	435,240	476,580	523,965
Planned maintenance	2,272,679	2,272,679	368,280	403,260	443,355
Betterment	0	2,520,000	0	0	0
Demolitions	0	0	420,000	0	0
Archaeology	0	0	840,000	730,000	730,000
New Build	0	0	9,735,000	10,474,000	12,902,000
Professional fees	0	365,000	1,270,000	1,310,000	1,511,500
Project and facilities management	0	1,818,900	1,876,163	1,878,555	1,890,690
Sub Totals	3,051,779	7,755,679	14,944,683	15,272,395	17,191,510
Site value	0	0	0	3,400,000	3,400,000
Decanting and relocating costs	0	1,370,000	1,920,000	0	0
Removal costs	0	50,000	50,000	25,000	25,000
Office set up costs	0	150,000	150,000	75,000	90,000
Totals (QMC)	3,051,779	9,325,679	17,064,683	18,772,395	20,706,510

TABLE 2
QUANTIFIABLE MONETARY
BENEFITS

	Option 1 £	Option 2 £	Option 3 £	Option 4 £	Option 5 £
Surplus site sales	0	0	4,750,000	9,250,000	9,250,000
Market value of new build offices	0	0	14,800,000	16,200,000	17,250,000
Increase in existing office building values	0	1,030,000	0	0	0
Reduction in maintenance costs	0	47,632	0	0	0
Reduction in maintenance management costs	0	4,763	0	0	0
Reduction in facilities costs	0	408,075	441,129	483,161	531,200
Reduction in facilities management costs	0	873,435	944,183	1,034,147	1,136,969
Energy savings	0	76,531	114,549	167,285	183,918
Totals (QMB)	0	2,440,436	21,049,862	27,134,593	28,352,087
TOTAL NET BENEFIT (QMB-QMC)	-3,051,779	-6,885,243	3,985,179	8,362,198	7,645,577
RANKING OF QUANTIFIABLE MONETARY BENEFITS	2	1	3	5	4

7.0 OBSERVATIONS ON FUNDING ISSUES

7.1 From the above tables it can be seen that there is a funding gap with Options 3, 4 and 5 since the estimated value for the sale of existing sites is less than the estimated project costs. The following commentary explores what potential there may be for closing this gap.

7.2 Maximising the Development

Options 4 or 5 could be expanded in scope with the view to maximising the amount of allowable development, so that any space over and above what the Council requires could be let or sold. For example, a scheme that provided a floor area of 8,925 sqm net (10,500 sqm gross) would have either 2,685 sqm surplus (8,925 sqm minus 6,240 sqm Option 4) or 2,073 sqm surplus (8,925 sqm minus 6,852 sqm Option 5). Further, the design of this additional space could be for use either as offices or as housing or even a combination of both. This would mean designing the new building 'shell' such that it could be adapted for either use at the appropriate time. Additional adaptable floor space such as this would add to the overall development cost and at this stage we have not produced any estimates of what this might be.

7.3 How many housing units?

A surplus of 2,073 sqm net for example could provide enough space for some 35no. 1 and 2 bed housing units @ 60 sqm each. Approximately 35% of any housing units provided would have to be allocated to social housing and this would leave some 23no. units for sale to the open market. A surplus of 2,685 sqm net could provide enough space for up to 45no. housing units of which 30no. units could be marketable. We do not know at this stage what the maximum permissible size of development would be so these figures are illustrative only.

7.4 How much office space?

Our estimates of the amount of office space the City Council may need in the future are based on assumptions that could change. The number of staff requiring a dedicated desk within the new headquarters could grow or even shrink in the long term. Assuming for this exercise that the number of staff remains more or less constant at around 390 the next question is whether the Council will continue with its present working practices or implement some form of 'flexible working' that involves staff combining working in the office with working at home.

7.5 Several local authorities are experimenting with home-working, designed to allow staff to regularly spend a proportion of their working week based at home (see "Flexible Working Policies and Environments in UK local authorities: Current Practice", Sheffield Hallam University, 2001). The considered view within the facilities management industry is that eventually every organisation will be practising some form of home working because the advantages that arise from less time spent commuting, increasing worker autonomy and self-management plus improved 'work-life-balance' are reported to outweigh the disadvantages of social isolation and exposure to extended working hours. Not least of the advantages to an organisation is the potential that home working has to reduce the cost of real estate whilst helping to meet its commitments to environmental sustainability through reduced car usage.

7.6 Savings both capital (building construction) and revenue (office occupancy costs) are possible with home working because less office space is required for a given number of staff. With say fifty staff working at home at any one time and each workspace averaging 16 sqm net of the overall office area (see Option 4) would mean that in theory the Council could save up to a maximum of 800 sqm net. Storage space is fixed so that in fact the saving may be nearer to 700 sqm.

7.7 Impact of home working on office costs

What scale of savings to both capital and occupancy costs might arise from home working? Providing fifty fewer workspaces could deliver the following capital savings:

50 no. workspaces costing on average £32,344 each within a new building (Option4) could save £1.62 million gross less the cost of setting up 50 people as 'homeworkers' at say approximately £3,000 each or £150,000 in total. Capital savings may thus be in the order of some £1.47 million. Some project costs will remain fixed, so the reduction in capital costs would not necessarily reduce in direct proportion to the reduction in workspace numbers.

7.8 Savings in office occupancy costs would also follow from a move to flexible working. Recent survey figures ("Total Office Cost Survey", Actium and City University Business School, 2003) show that the average occupancy costs for a new office building within SE England are some £7,700 per annum. This figure includes for all facility management costs as well as annualised costs for office fit-out and furnishing.

7.9 A reduction in office workplaces could save the Council significant sums year on year. Against this an allowance would have to be made for supporting staff working in their own home. Since half the £7,700 per annum in occupancy costs is accounted for in rent and rates at least 50% could be saved. We also believe further cost savings would accrue from reduced energy usage, cleaning, maintenance and office moves. A broad brush saving of around 60% on annual office occupancy costs may be achievable. On this assumption fifty fewer workspaces in the office would result in an annual saving on office occupancy costs of about £230,000. Over a period of several years clearly substantial savings could accrue.

7.10 Summary

Our assumptions concerning the number of staff that could be home-working at any one time are provisional. Fifty staff or thirteen percent of the office population working away from the office at any one time is significantly less than results we have obtained from surveys of spot occupancy rates within public sector offices. We would recommend that before any decision is taken on home working further investigations be made within this area. In conclusion we believe that the funding gap could be reduced by a combination of space management strategies. A broader feasibility study that varies the size and composition of the proposed real estate development, involving the Council's future office accommodation, would explore these strategies further. Its aim would be to show how the Council may reduce its capital costs and to estimate a pay-back period for bridging any funding gap.

APPENDIX: OPTION APPRAISAL MODEL**QUANTIFIABLE MONETARY COSTS**

	Option 1 £	Option 2 £	Option 3 £	Option 4 £	Option 5 £
Existing Offices					
Day to day responsive repairs	779,100	779,100	435,240	476,580	523,965
Planned maintenance	2,272,679	2,272,679	368,280	403,260	443,355
Betterment	0	2,520,000	0	0	0
Demolitions	0	0	420,000	0	0
Archaeology	0	0	840,000	730,000	730,000
New build	0	0	9,735,000	10,474,000	12,092,000
Professional fees	0	365,000	1,270,000	1,310,000	1,511,500
Project and facilities management	0	1,818,900	1,876,163	1,878,555	1,890,690
Sub Totals	3,051,779	7,755,679	14,944,683	15,272,395	17,191,510
Site value	0	0	0	3,400,000	3,400,000
Decanting and relocating costs	0	1,370,000	1,920,000	0	0
Removal costs	0	50,000	50,000	25,000	25,000
Office set up costs	0	150,000	150,000	75,000	90,000
Totals (QMC)	3,051,779	9,325,679	17,064,683	18,772,395	20,706,510

QUANTIFIABLE MONETARY BENEFITS

	Option 1 £	Option 2 £	Option 3 £	Option 4 £	Option 5 £
Surplus site sales	0	0	4,750,000	9,250,000	9,250,000
Market value of new build offices and Council Chamber	0	0	14,800,000	16,200,000	17,250,000
Increase in existing office building values	0	1,030,000	0	0	0
Reduction in maintenance costs	0	47,632	0	0	0
Reduction in maintenance management costs	0	4,763	0	0	0
Reduction in facilities costs	0	408,075	441,129	483,161	531,200
Reduction in facilities management costs	0	873,435	944,183	1,034,147	1,136,969

Energy savings	0	76,531	114,549	167,285	183,918
Totals (QMB)	0	2,440,436	21,049,862	27,134,593	28,352,087

TOTAL NET BENEFIT (QMB-QMC)	-3,051,779	-6,885,243	3,985,179	8,362,198	7,645,577
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RANKING OF QUANTIFIABLE MONETARY BENEFITS	2	1	3	5	4
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QUANTIFIABLE NON-MONETARY COSTS

	Option 1	Option 2	Option 3	Option 4	Option 5
Sub standard work spaces	100	100	10	0	0
Disruption to office staff	0	100	100	40	40
Disruption to the public	0	100	100	40	40
Number of public parking spaces lost	0	0	100	100	100
TOTAL SCORES	100	300	310	180	180

RANKING OF QUANTIFIABLE NON-MONETARY COSTS	5	2	1	4	4
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QUANTIFIABLE NON-MONETARY BENEFITS

	Option 1	Option 2	Option 3	Option 4	Option 5
Number of work spaces gained	0	0	9	0	0
Improved thermal insulation	0	60	100	100	100
Improved sound insulation	0	0	100	100	100
Improved heating control arrangements	0	70	100	100	100
Improved ventilation arrangements	0	60	100	100	100
Improved internal communication arrangements	0	50	90	100	100
Improved disabled access	5	50	100	100	100
Improved customer service	0	50	100	100	100
Improved Member office accommodation	0	0	90	100	100
TOTALS	5	340	789	800	800

RANKING OF QUANTIFIABLE NON-MONETARY BENEFITS	1	2	3	5	5
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UNQUANTIFIABLE COSTS

	Option 1	Option 2	Option 3	Option 4	Option 5
None	0	0	0	0	0
AVERAGE SCORES	0	0	0	0	0
RANKING OF UNQUANTIFIABLE COSTS	-	-	-	-	-

UNQUANTIFIABLE BENEFITS

	Option 1	Option 2	Option 3	Option 4	Option 5
Improved appearance of office	0	1	4	5	5
Improved image	0	0	4	5	5
Increased staff pride in building	0	1	4	5	5
Improved working arrangements	0	0	4	5	5
Improved space planning and layouts	0	0	3	5	5
Improved catering facilities	0	0	3	5	5
Improved reception and cash desk arrangements	0	2	4	5	5
Improved meeting space/room arrangements	0	0	4	5	5
Improved training facilities	0	0	4	5	5
Improved IT facilities	0	0	3	5	5
Greater flexibility and opportunities for use of the building	0	0	4	5	5
AVERAGE SCORES	0.0	0.4	3.7	5.0	5.0
RANKING OF UNQUANTIFIABLE BENEFITS	1	2	3	5	5

SUMMARY OF COSTS AND BENEFITS					
	Option 1	Option 2	Option 3	Option 4	Option 5
Quantifiable Monetary Items:					
Net Benefits	2	1	3	5	4
Quantifiable Non-Monetary Items:					
Costs	5	2	1	4	4
Benefits	1	2	3	5	5
Unquantifiable Items:					
Costs	-	-	-	-	-
Benefits	1	2	3	5	5
AVERAGE	2.25	1.75	2.50	4.75	4.50

BASIC DATA

	Option 1	Option 2	Option 3	Option 4	Option 5
Gross internal floor areas in sq.m	5,750	5,750	6,696	7,332	8,061
Number of work spaces	385	385	356	390	390

NOTES TO OPTION APPRAISAL MODEL

Generally

This Option Appraisal is based on a DoE Option Appraisal Model.

All monetary costs are based on a fifteen-year cycle as required by the Brief.

The Option Appraisal is a structured and honest attempt to demonstrate the quantifiable monetary and non-monetary costs and benefits and unquantifiable costs and benefits of each of the four options to establish by ranking the most advantageous option.

Options

Option 1

Do nothing option except day to day responsive repairs and planned maintenance are included.

Option 2

Retain existing office buildings including the following:

- day to day responsive repairs
- planned maintenance
- betterment as described later

Option 3

Redevelop existing City Office site including the following:

- demolish City Offices, Annex and 60 Colebrook Street
- construct new offices to provide a gross internal floor area of 6696m² with 356 workspaces
- releases other sites (Avalon House, Abbey Mill, Hyde House and Hyde Barn) for potential sale

Option 4

Re-develop existing Middle Brook Street car park site including the following:

- construct new offices to provide a gross internal floor area of 7332m² with 390 workspaces
- releases existing sites for potential sale

Option 5

As Option 4 with a new Council Chamber

- a new Council Chamber and associated space with a gross internal floor area of 729 sqm.

Day to Day Responsive Repairs

Estimated costs are based on the current budget for 2003/4 apportioned to each of the seven buildings.

Planned Maintenance

Planned maintenance includes both planned and cyclical maintenance but makes no allowance for betterment.

Betterment

Betterment of City Offices includes the following:

- upgrading the fabric of the building including new double glazed windows, upgrading of vertical tile hanging elevations at first and second floors and new roof
- renewal of the heating installations
- provision of comfort cooling installations
- enclosure of external fire escape staircases
- refurbishment and re-organisation of reception area programmed for 2003/4.

A detailed estimate of the possible improvements has been prepared.

Betterment of Avalon House includes the following:

- relocating reception from first to ground floors programme for 2003/4

It has been assumed that no betterment will be undertaken to other offices at City Offices Annex, 60 Colebrook Street, Abbey Mill, Hyde House and Hyde Barn.

Demolitions

Option 3 provides for the demolition of the existing City Offices, Annex and 60 Colebrook Street and includes £250,000 for asbestos removal, which will require substantiation.

Archaeology

The estimated costs of archaeological investigations has been included in Options 3-5 inclusive based on the Council's recent experience at the Broadway/Friarsgate site.

New Build at City Offices Site

The proposal for this site provides for the demolition of the existing offices including the Annex and 60 Colebrook Street and the redevelopment of the site to provide three storey offices comprising approximately 5700m² net internal floor area (6696m² gross) with 356 workspaces.

New Build at Middle Brook Street Site

The proposal for this site provides for the following new accommodation:

- three/four storey Council offices comprising approximately 6600m² net internal floor area (7332m² gross) with 390 work spaces

Option 5 adds the following:

- a Council Chamber and ancillary accommodation comprising 729m² gross internal floor area

Professional Fees

In Option 2 these costs relate to the design and incorporation of the proposed betterment works.

In Option 3 these relate to the demolition and redevelopment of the site.

In Options 4 and 5 these relate to the redevelopment of the site.

Project and Facilities Management

In Options 2 – 5 inclusive provision is included for project management services for the duration of the project works and for facilities management through the appointment of an internal facilities manager for the duration of the fifteen years cycle.

Site Values

These figures have been provided by Winchester City Council.

Decanting and Relocation Costs

Provision is included for relocating the offices and staff currently at City Offices, Annex and 60 Colebrook Street into temporary office accommodation in Winchester City Centre for the duration of the betterment works in Option 2 and the redevelopment works in Option 3.

Removal Costs

These allow for removal expenses and costs between temporary and final office accommodation.

Office Set Up Costs

These allow for administration, IT set up costs and building initiation costs.

Market Values of New Build Offices

These figures have been provided by Winchester City Council.

Increase in Existing Office Building Values

These figures have been provided by Winchester City Council.

Reduction in Maintenance and Maintenance Management Costs

These benefits relate to the reduced maintenance costs in Option 2

Reduction in Facilities and Facilities Management Costs

A 10% reduction in facilities costs has been incorporated on the basis of a new facilities management regime.

The same assessment has been made for facilities management costs.

Energy Savings

Energy savings have been assessed for Option 2-5 inclusive based on current levels of energy consumption and cost

Surplus Site Sales

These figures have been provided by Winchester City Council.

Quantifiable Non-Monetary Costs and Benefits

These are non financial factors, which are considered to be important in the choice between the options.

Unquantifiable Costs and Benefits

This covers those factors which cannot be quantified in any way and we consider to be complementary to the ranking of preferred options arrived at by considering monetary and non-monetary quantifiables.

Conclusion

Options 1 and 2 although having the least monetary cost have no monetary benefit (Option 1) and relatively small monetary benefit (Option 2). Additionally both options score very poorly in relation to quantifiable non-monetary and unquantifiable benefits.

Option 3 which scores significantly higher than Options 1 and 2 does have a high monetary cost although this is more than the eliminated by the effect of the monetary benefits.

Options 4 and 5 although having the highest monetary cost does have the greatest net benefit. They score the highest in all the overall quantifiable non-monetary and unquantifiable costs and benefits, except in quantifiable non-monetary costs where they rank second.

Option 4 scores more favourably than Option 5 nevertheless both Options 4 and 5 potentially release part of the Middle Brook Street site for other development opportunities.