
SUPPLEMENTARY AGENDA

CABINET

TUESDAY, 27 SEPTEMBER 2022 AT 12.00 PM

COUNCIL CHAMBER - THE GUILDHALL, PORTSMOUTH

Telephone enquiries to Karen Martin, Tel: 023 9284 1704
Email: Democratic@portsmouthcc.gov.uk

Membership

Councillor Gerald Vernon-Jackson CBE (Chair)
Councillor Suzy Horton (Vice-Chair)

Councillor Chris Attwell
Councillor Kimberly Barrett
Councillor Darren Sanders
Councillor Lynne Stagg

Councillor Jason Fazackarley
Councillor Lee Hunt
Councillor Steve Pitt
Councillor Matthew Winnington

(NB This supplementary agenda should be retained for future reference with the main agenda and minutes of this meeting).

SUPPLEMENTARY AGENDA

7 Civic Offices Member Working Group Report (Pages 3 - 54)

Purpose

- 1) This report provides a response to Full Council on the work of the Civic Office Member Working Group (COMWG), carried out to date.
- 2) The report notes the information made available to the COMWG, including running costs, space used and anticipated future costs to bring the civic office in line with modern standards and compliance with statutory safety measures.
- 3) The report sets out some parameters and principles agreed by the COMWG as a means to provide structure to consideration of future options.

- 4) The report proposes next steps for consideration to ensure that Council can get into a position to define the service need and therefore answer the Notice of Motion fully.

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Agenda Item 7

THIS ITEM IS FOR INFORMATION ONLY

(Please note that "Information Only" reports do not require Integrated Impact Assessments, Legal or Finance Comments as no decision is being taken)

Title of meeting: Cabinet

Date of meeting: 27th September 2022

Subject: Civic Offices Sustainability

Report by: Natasha Edmunds, Director of Corporate Services
Tristan Samuels, Director of Regeneration
James Hill, Director of Building Services

On behalf of Civic Office Member Working Group

Report author: Megan Carter, Head of Major Projects
Meredydd Hughes, Assistant Director of Building Services
Tom Southall, Assistant Director of Property and Investment

Wards affected: Charles Dickens

1. Requested by

- 1.1. The report has been requested by Full Council following the Notice of Motion entitled "Civic Offices Sustainability", being passed on the 19th July 2022.

2. Purpose of report

- 2.1. This report provides a response to Full Council on the work of the Civic Office Member Working Group (COMWG), carried out to date.
- 2.2. The report notes the information made available to the COMWG, including running costs, space used and anticipated future costs to bring the civic office in line with modern standards and compliance with statutory safety measures.
- 2.3. The report sets out some parameters and principles agreed by the COMWG as a means to provide structure to consideration of future options.
- 2.4. The report proposes next steps for consideration to ensure that Council can get into a position to define the service need and therefore answer the Notice of Motion fully.

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3. Information Requested

- 3.1. Full Council debated a notice of motion (NOM) on the 19th July 2022 which was passed and asked the administration to bring a report to the October Full Council meeting that considers the future of the Civic Offices.

The report was to include:

- 3.1.1. Running costs prior to the pandemic and current data for the council as a whole in addition to a breakdown per Department, including working from home overheads;
 - 3.1.2. Costed proposals for alternative working solutions for the Civic Offices functions, including travel expenses and parking;
 - 3.1.3. Possible alternative income generation utilisation of the asset;
 - 3.1.4. Valuative financial analysis of the current market value of the civic offices;
 - 3.1.5. Preliminary findings from the working from home working group, including all meeting dates and agenda items since it commenced
 - 3.1.6. Leaving the Civic Offices which are too large for the City Council and have high energy use, for the site to be redeveloped and the reprovision of council offices on a much smaller site in the city centre.
- 3.2. The notice of motion notes that the Civic Offices are not functioning effectively and there has been a need for businesses, including local authorities, to develop new ways of working in response to the Covid-19 pandemic.
- 3.3. A Civic Office Members Working Group (COMWG) was formed, chaired by Cllr Chris Attwell, and with the following representation: Cllr Lee Mason (Conservative), Cllr Lewis Gosling (Conservative), Cllr Judith Smyth (Labour), Cllr George Madgwick (Portsmouth Independents). The Member working group has been supported by officers representing Corporate Services, Building Services and Regeneration (Property & Investment) with attendees including Natasha Edmunds, James Hill and Tristan Samuels. The group has met four times between July and September. All meetings have had a summary of discussions and actions noted and minutes shared both with the COMWG and with all group leaders.
- 3.4. It is clear from these first meetings that the questions posed by the NOM (3.1.1. to 3.1.6.) cannot all be answered until there is clear agreement on the role of the civic office, the services it provides, the community it serves and how the staff needed to

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provide these services will work in the future. Members require the civic space to be within walking distance of the Guildhall and council chambers.

4. Civic Office Member Working Group Progress Update

- 4.1 The COMWG have considered background reports on the Civic office; in the meeting of 28th July the group received a presentation highlighting the findings of a detailed building condition survey. The condition survey was undertaken by Faithful & Gould during November/December 2020 and was commissioned to enable better strategic planning for the long-term maintenance of the building. A summary of the survey report that was presented to the COMWG is attached at Appendix A. The full report runs into approx..400 pages and is available on request, contact Meredydd.Hughes@portsmouthcc.gov.uk.
- 4.2 The COMWG have considered the pre-pandemic accommodation review undertaken by Baker Stuart in January/February 2020. The accommodation review highlighted the civic office space was underutilised and that there were poor environmental conditions present within the office.
- 4.3 Following the COVID-19 Pandemic, the Council has implemented a range of changes to working practices including hybrid working for employees aimed at creating a covid safe work environment and in line with the recommendations from the accommodation review. The space remains underutilised and this presents the opportunity to explore new uses for the building, which could be more or differently utilised and provide an extensive offer for the city centre.
- 4.4 In light of the building condition survey, the findings of the accommodation review and the changes to working practice arising from the pandemic it has been acknowledged that opportunities need to be explored for the future of the civic offices/civic space.
- 4.5 The COMWG have identified that the civic building itself provides a broad range of functions including:
- Front facing customer services, for example Housing Needs and Advice Service, Cashiers service
 - Main office location for Children's Social Care/Adult Social Care
 - Range of co-located services, for example Police and community based NHS services
 - Range of corporate services, for example Finance, Information Technology
 - Executive and Political Group rooms
 - CCTV and Traffic Management Centre Hub
 - Commercial letting arrangements (Mountbatten Wing)

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- 4.6 Local planning considerations were also discussed and the group were advised of the National Planning Policy (in the National Planning Policy Framework) which states that councils should work to 'promote the long-term vitality and viability' of city centres by 'allowing them to grow and diversify in a way that can respond to rapid changes in the retail and leisure industries, allows a suitable mix of uses'.
- 4.7 In respect of community facilities councils are required to 'plan positively for the provision and use of community facilities' and must 'guard against the unnecessary loss of valued facilities and services, particularly where this would reduce the community's ability to meet its day to day needs.'
- 4.8 In light of the broad range of functions and policy requirements set out above the COMWG have recognised the need to create a clear set of parameters and principles to provide structure to help inform the options appraisal work that will be necessary as a next step.
- 4.9 A set of parameters have been identified at a high/thematic level. Council are asked to note these parameter and the further work needed to develop these into meaningful definitions:
- The space required - dependent on the service delivery model adopted and community offer
 - Policy compliance - various policies against which compliance is required
 - Value for money
 - The services provided for customers both external and internal
 - Guildhall proximity
- 4.10 There is also a set of principles which the COMWG agreed that can be grouped under the themes of:
- Local economy
 - Accessibility
 - Public Health
 - Environment
 - Policy

The specific principles and aims are set out in table A below:

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Civic Office – 5 pillars of criteria

In the Civic Office Member Working Group on 28/07/22, a set of criteria and aims was agreed (the list of aims is not exhaustive) as a means of evaluating options as follows:

Policy	Local economy	Accessibility	Public Health	Environmental
<ul style="list-style-type: none"> Consistent with the aims of the Local Plan and the Local Transport Plan The cost of change must deliver a return on investment no longer than 20 years <div style="border: 1px solid orange; padding: 5px; margin-top: 10px;">Aims</div>	<ul style="list-style-type: none"> Create footfall in the City Centre supporting local economy, employment and businesses <div style="border: 1px solid orange; padding: 5px; margin-top: 10px;">Aims</div> <ul style="list-style-type: none"> The civic office should create and provide community spaces for community use and benefit 	<ul style="list-style-type: none"> Be accessible to most (residents, customers, visitors, staff) The civic office must be within walking distance of the Guildhall <div style="border: 1px solid orange; padding: 5px; margin-top: 10px;">Aims</div> <ul style="list-style-type: none"> Should be accessible to all The Guildhall Council Chamber will remain the venue for official council decision making 	<ul style="list-style-type: none"> Enhance and contribute to improving services to residents, visitors and communities Contribute to improving outcomes for residents Create a healthy and safe workplace for staff <div style="border: 1px solid orange; padding: 5px; margin-top: 10px;">Aims</div> <ul style="list-style-type: none"> The civic centre should be welcoming to the public 	<ul style="list-style-type: none"> Significantly reduced carbon emissions Able to deliver climate targets for building management and maintenance Facilitate green transport methods for staff and service delivery, including the increase in the number of EV charging points <div style="border: 1px solid orange; padding: 5px; margin-top: 10px;">Aims</div>

5. Options

- 5.1 The background material and discussion on the function of the civic building have helped the COMWG to identify high level options to be considered.

3 options have been identified which are outlined in further detail in Appendix B:

- Option 1 - Maintain/refurbish the existing civic offices
- Option 2 - Repurpose the existing civic offices
- Option 3 - Relocation of the civic offices (including on the same site)

- 5.2 In order to progress further and develop the options additional information and data is needing to be gathered for example the actual square footage of space required for service delivery, the different policies against which compliance is needed, financial impact etc.

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- 5.3 The COMWG is also in the process of gathering examples of other public sector organisations that have undertaken similar projects. Much can be learned from the experience of others both what has worked well and what has not worked so well. Greater efficiencies can be achieved by learning from others' experience.

6. Next Steps

- 6.1 The COMWG request Full Council commit to supporting the continuation of the working group to progress work as outlined in 5.2 above and supported by relevant officers as appropriate.
- 6.2 Full Council are requested to note that although there is a working group in place the group will review its membership, in consultation with Group Leaders, to ensure political proportionality. A level of project management governance will also be introduced to ensure good practice principles are followed and ensure appropriate decision making in line with the council's constitution for example, gateway review points leading to updates to Cabinet and Full Council.
- 6.3 The COMWG will bring back to Cabinet (and Full Council) a final report with the high level options appraisal, financial appraisal and recommendations by no later than March 2023.

.....
Signed by:

Appendices:

Appendix A Civic Office Condition Survey Summary document

Appendix B Civic Office Relocation Presentation

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Draft Minutes and Agenda Full Council Tuesday 19 th July 2022, Portsmouth City	Agenda for Full Council on Tuesday, 19th July, 2022, 2.10 pm Portsmouth City Council



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Council (Agenda Item 12i - Notice of Motion)	
Amendment C (carried) to Notice of Motion 12i	Amendment to Notice of Motion C (portsmouth.gov.uk)

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Civic Offices

Annual Running Costs and Condition Survey

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Briefing Session
July 2022*

Adam Hardwick
Building Projects Manager

*maintenance costs updated for quarter 2, 2022



Contents

- ▶ Civic Offices Background
- ▶ Client Brief
- ▶ Condition Survey
- ▶ Maintenance Plan



The Civic Offices - Background

- ▶ Constructed c.1972
 - ▶ 50 years old
 - ▶ 7 storey building - basement and podium
- ▶ Reinforced concrete frame construction
- ▶ 24,000m² of office accommodation
 - ▶ Originally fully open plan office
 - ▶ Partitioned and adapted over time
 - ▶ Range of kitchen and WC facilities across the building
- ▶ Issues with solar gain
- ▶ Poor ventilation
- ▶ Lack of thermal control



The Civic Offices - Usage

- ▶ 1869 PCC workstations
- ▶ c.2500 overall desk including tenants
- ▶ Pre-COVID usage - 47%
- ▶ COVID usage - 16% - (April 2021)
- ▶ Key Areas
 - ▶ **Modern Records** - Primary location for paper based records
 - ▶ **Kestrel Centre** - PCC/Solent learning disability service
 - ▶ **City Help desk/Cashiers** - central location for the public to access services in person
 - ▶ **Cash vault** - parking meter fees and cashiers transactions are all returned to the Civic for processing
 - ▶ **Despatch Office** - all internal and external mail for the authority
 - ▶ **CCTV control room** - whole city

The Civic Offices - Usage

- ▶ Tenants
 - ▶ Clinical Commissioning Group (CCG)/Integrated Care System (ICS) from 1 July 2022
 - ▶ Solent NHS
 - ▶ Hampshire coroners court
 - ▶ Costal Defence team
 - ▶ Hampshire Police
 - ▶ Hampshire and Isle of Wight - Probation service
 - ▶ Unions
- ▶ Commercial letting
 - ▶ c.£1m p/a income

The Civic Offices - Running Costs

- ▶ Facilities management budget - £2.1m p/a
 - ▶ Cleaning: £266k per annum
 - ▶ Utilities: £1.5 million per annum
 - ▶ Security: £320k per annum
- ▶ Working environment improvements / Covid Measures
 - ▶ Ventilation ductwork and low level vent clearance & removal of obstructions
 - ▶ Increased cleaning regime
 - ▶ CO2 and temperature monitors installed

The Civic Offices - Repairs



- ▶ Average yearly repair cost c.£300k p/a
- ▶ Data suggests repair costs are increasing year on year

Year	Cost
2018	£236k
2019	£375k
2020	£242k*
TOTAL	£853k

- ▶ Ongoing yearly cyclical maintenance costs c.£500k p/a

Year	Costs p/a
Civic Maintenance team	£260k
Facilities - security systems, PA etc	£20k
Fire Alarm Maintenance	£30k
Lift maintenance	£45k
Corrigenda M&E Servicing	£125k
Electrical Testing	£10k
TOTAL	£500k

*figure less due to reduced usage of the building

The Civic Offices - Projects

Electrical (£2.3m)

- ▶ Installation of LED lighting
- ▶ New back up generator
- ▶ Replacement of main incoming switchgear
- ▶ Replacement/upgrade of main high voltage transformers

Mechanical (£4m)

- ▶ Replacement of cooling towers chillers
- ▶ 3 new boilers
- ▶ New IT suite cooling equipment
- ▶ Fire damper replacements and ductwork cleaning/fire dampers
- ▶ Main heating coils two phases

Building (£300k)

- ▶ Fire door maintenance
- ▶ Fire stopping
- ▶ Minor internal refurbishments

Year	Cost
2016	£1.8m
2017	£1.7m
2018	£1.2m
2019	£900k
2020	£1m
TOTAL	£6.6m

- ▶ Average total project cost
c.£1.3m per year

The Civic Offices - Running Cost Summary



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Year	Costs p/a
Facilities Management	£2.1m
Day to day repairs	£300k
Cyclical Maintenance	£500k
Yearly project costs	£1.3m
TOTAL	£4.2m

Client Brief

- ▶ **Condition Survey**
 - ▶ Full building condition survey to establish the current condition of the building fabric and M&E installations - identify required maintenance works
- ▶ **Feasibility Study**
 - ▶ Full refurbishment of the building
- ▶ **Costing**
 - ▶ 30 year costed maintenance plan for the building fabric and M&E installations
 - ▶ Cost appraisal of a full building refurbishment
- ▶ **Programme**
 - ▶ Outline programmes for the full refurbishment of the building based upon a full and partial decant

Consultant Team

- ▶ Building Survey - Faithful & Gould
- ▶ Quantity Surveying - Faithful & Gould
- ▶ Structural Engineer - WSP
- ▶ Facade Engineer - WSP
- ▶ Mechanical & Electrical Engineers - SS&A
- ▶ Energy / Environmental Consultant - SS&A
- ▶ Architects - Ayre Chamberlain Gaunt



Member of the SNC-Lavalin Group



Condition Survey

Condition Survey - Limitations



- ▶ Visual inspection
- ▶ High level survey
- ▶ No specialist access equipment used
- ▶ No testing of mechanical and electrical systems
- ▶ No inspection of concealed areas
- ▶ No invasive investigations or testing
- ▶ Some areas not inspected due to non-access / COVID restrictions
- ▶ Costs provided are indicative for purposes of informing budgets

Condition Survey - Structure

- ▶ Generally fair condition
- ▶ Historic cracking to concrete elements
- ▶ Water ingress to basement and core 6
 - ▶ Currently superficial
- ▶ Corrosion of handrail fixings
- ▶ Various areas of damage to tiled surface
 - ▶ Currently superficial
- ▶ If structure kept watertight deemed to have ongoing serviceable life*



*further invasive investigation and testing would be needed to determine accurate future life

Condition Survey - Curtain Walling

- ▶ Failing external coating - will lead to corrosion of frame
- ▶ Seals deteriorating and hardening - will eventually cause leaks
- ▶ Single glazed with secondary glazing
- ▶ Mullions misaligned - building movement
- ▶ Some cracked glazing
- ▶ Lack of fire stopping between floors
- ▶ Excessive solar gain
- ▶ Poor thermal performance

- ▶ Overall external envelope is in poor condition and in need of replacement



Condition Survey - Roof

- ▶ Roof coverings reaching the end of their serviceable life
- ▶ Access to core tower plant rooms is very poor
- ▶ Significant amount of M&E plant located on roof
- ▶ Water ingress from podium carpark
- ▶ All roof coverings and associated elements require replacement

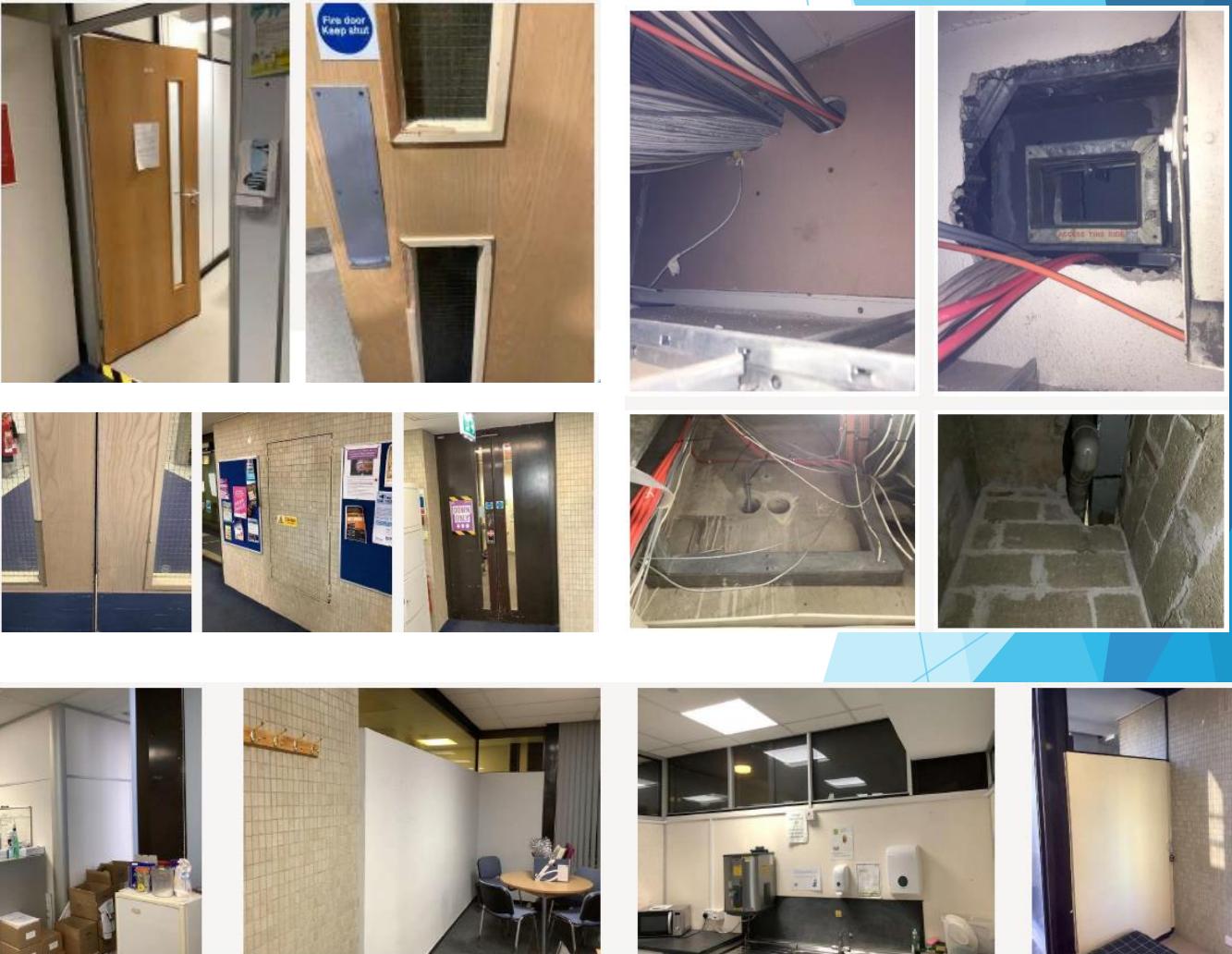


Condition Survey - Fire Compartmentation



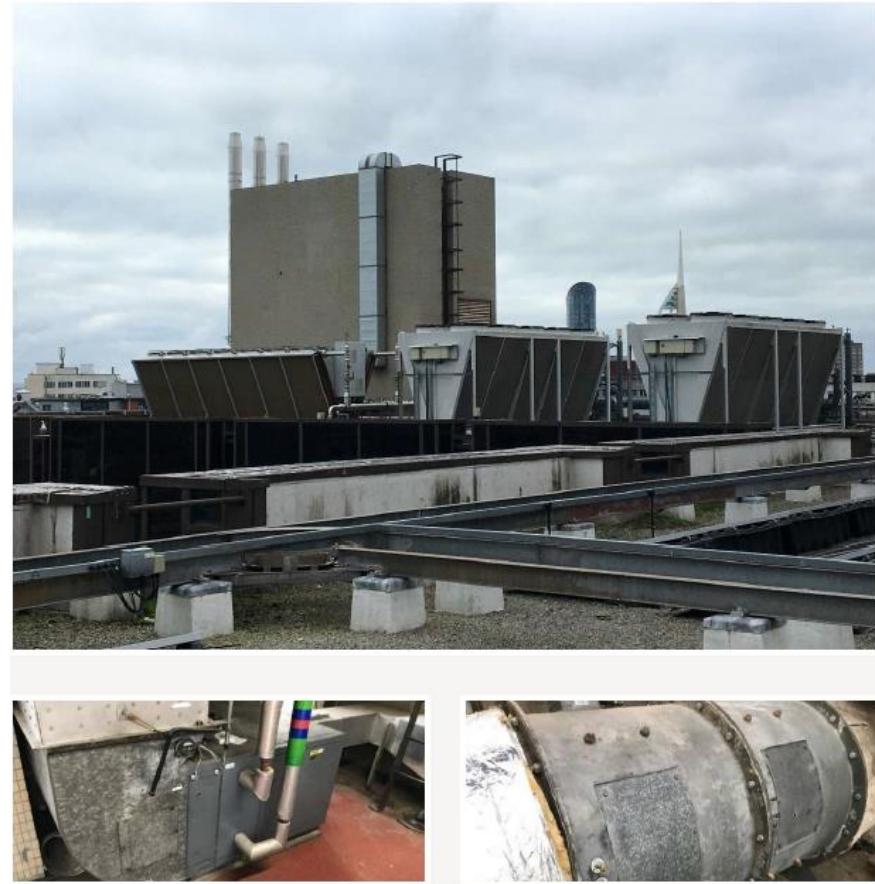
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- ▶ Fire doors
- ▶ Partitioning
- ▶ Fire stopping - service ducts
- ▶ No smoke extract system to lower ground car park
- ▶ Curtain walling
- ▶ Some issues historical
- ▶ Further investigation is needed
- ▶ Ongoing repair and maintenance



Condition Survey - M&E

- ▶ Significant investment to M&E installation, active parts have all been replaced
- ▶ Majority of M&E distribution equipment original from the 1970's
- ▶ Ventilation strategy designed to 1970's standard for an open plan office
- ▶ Current configuration of partitions / offices leads to insufficient air changes
- ▶ Lack of control to systems
- ▶ Majority of distribution services beyond the end of their serviceable life



Condition Summary

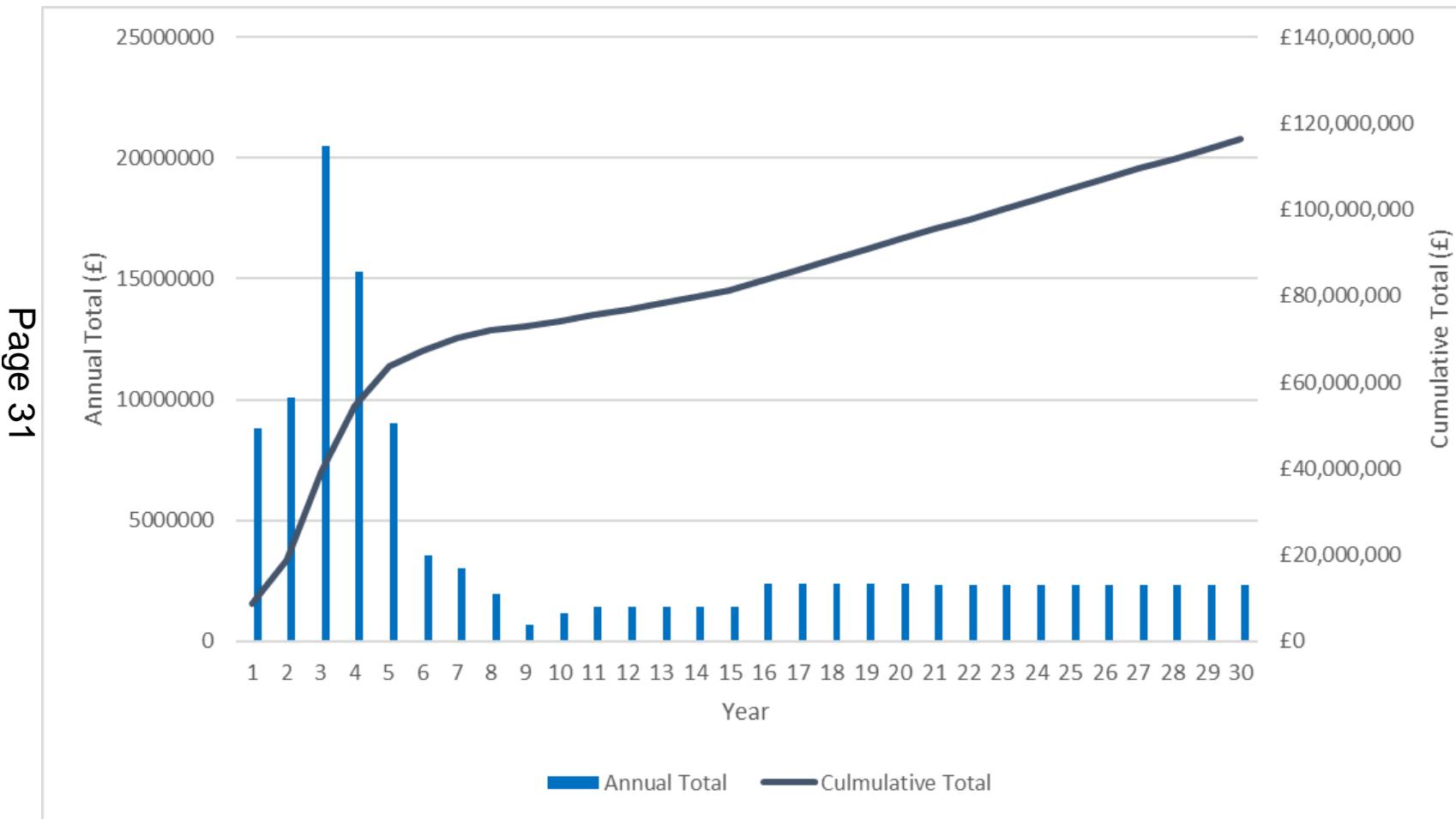
- ▶ Generally the core building structure appears sound
- ▶ A number of major elements have reached the end of their serviceable life
 - ▶ Roof
 - ▶ Curtain Walling
 - ▶ M&E Infrastructure
- ▶ Inherent issues present to the building based upon original design of building and historical alteration
 - ▶ Ventilation
 - ▶ Solar gain
 - ▶ Heating / cooling
 - ▶ Fire compartmentation

30 Year Maintenance Plan



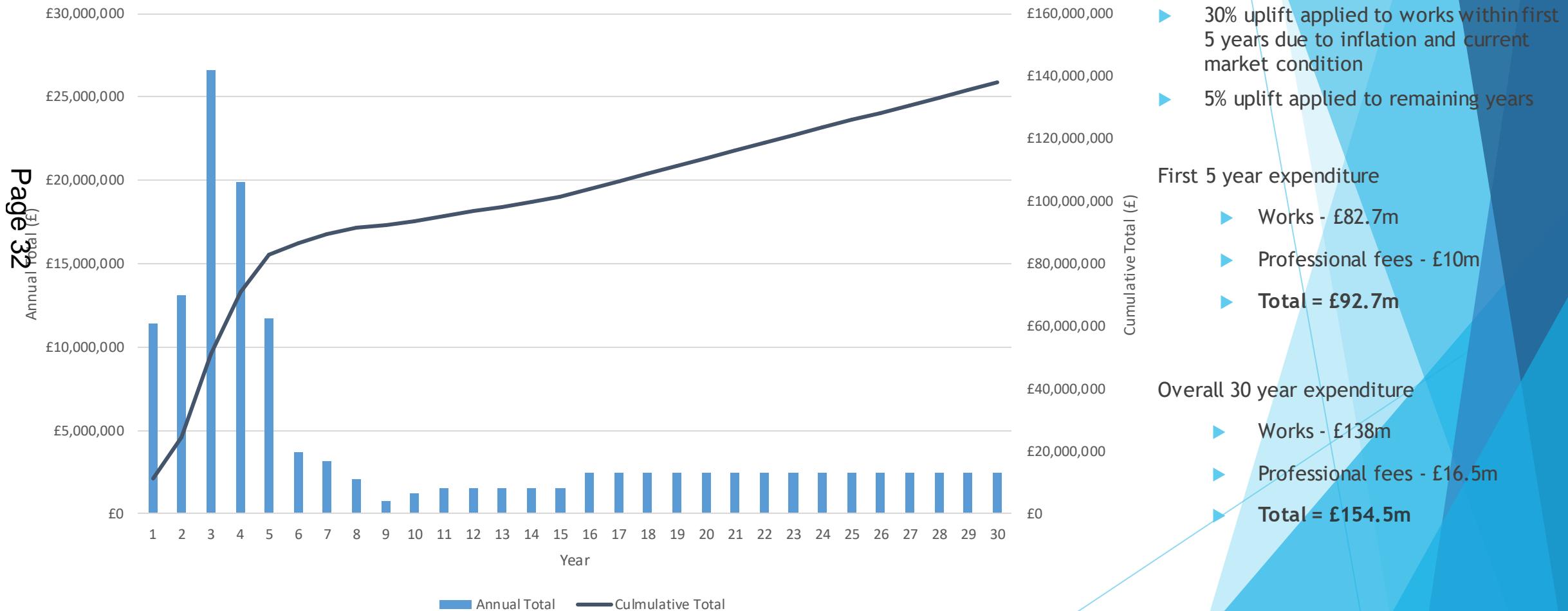
- ▶ Forecasted expenditure on future maintenance requirements = £116m
- ▶ Professional fees @ 12% = £14m
- ▶ Total = £130m
- ▶ Significant costs associated with;
 - ▶ External façade and roof replacement
 - ▶ M&E maintenance and improvement
- ▶ Major work elements would require decant of floors or wings for sustained periods

Indicative 30 Year Maintenance Plan - April 21



- Costs are for purposes of budgeting only
- Spend plan is indicative
- Minimum 2 year lead in required
- Works front loaded - major elements reaching the end of serviceable life
- No allowance for works under £500
- No allowance for day to day repairs

Indicative 30 Year Maintenance Plan - May 22



Priority Works

- ▶ Key areas of work allowed for within first 5 years;
 - ▶ Roof replacement
 - ▶ Curtain walling replacement
 - ▶ Maintenance / replacement of fire doors
 - ▶ Fire stopping* - all areas
 - ▶ Fire compartmentation
 - ▶ Stair core refurbishment - balustrades, treads
 - ▶ Ventilation - replace supply/extract ducting (including all suspended ceilings)
 - ▶ Chilled water system - replacement
 - ▶ MTHW & LTHW system - replacement distribution pipework
 - ▶ Domestic Water Services - replace cold/hot water distribution pipework
 - ▶ Drainage replacement

Extending serviceable life



- ▶ Possibility to delay major works

Benefits

- ▶ Allows time to consider options
- ▶ Undertake further investigations / appraisals
- ▶ Minimises short term spend

Risks

- ▶ Day to day costs increase
- ▶ Building condition deteriorates
- ▶ Potentially increased longer term costs
- ▶ Increased risk of operational failure
- ▶ Increased health and safety risk
- ▶ Poor internal environment for staff

Extending serviceable life



Maximum managed risk period

- ▶ 2 years - April 2023
- ▶ £7.4m required to maintain operation during this period
- ▶ Beyond April 2023 significant investment will need to be made
- ▶ Exponential increase in risk
- ▶ Managed by decant
- ▶ Reduced use of building

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Year	Element	Cost
2021	Day to day repair	£475k
2021	Cyclical Maintenance	£500k
2021	Projects	£800k
		Sub-total £1.8m
2022	Day to day repair	£575k
2022	Cyclical Maintenance	£500k
2022	Projects	£400k
		Sub-total £1.5m
	10% contingency reserve held	£325k
		MAINTENANCE TOTAL £3.6m
21-22	Facilities Management costs	£4.2m
		TOTAL COST OVER 2 YEARS £7.8m

Questions?

A wide-angle photograph of a modern, multi-story building with a glass facade. The building features a prominent entrance with a set of wide stone steps leading up to it. A large statue stands at the top of the steps. Several flags are flying from poles in front of the building. In the foreground, there is a large, open paved area where several people are walking or cycling. The sky is clear and blue.

Civic Offices Relocation

September 2022

The Civic Offices

Background

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- The Civic Offices were constructed circa 1972
- The building has a reinforced concrete frame construction
- The existing building is circa 40k sqft per level, six storeys including upper level setback and ground floor columns, totaling approximately 200,000sqft- 250,000sqft and accommodating circa 2000 staff.
- It's easily accessible with links to Guildhall
- Largest office accommodation of any employer in the City Centre
- The Civic Office site sits at a position that is expected to be a transition between the area of likely delivery of new office accommodation and a traditional City Centre.
- Could take advantage of the proximity of the station, and the area of the Guildhall Square and southwards which is expected to remain and be enhanced as a Cultural Quarter for the city.

Why?

- The Civic Offices have been under review following a **condition survey** undertaken in July 2021 by Faithful & Gould, which highlighted the site currently has issues with solar gain, poor ventilation and lack of thermal control and provided detail on the maintenance costs of the civic.
- Pre-pandemic an **accommodation review** undertaken in January/February 2020 by Baker Stuart, highlighted that the civic space was underutilized and poor environmental conditions present within the office.
- The pandemic required the organisation to change quickly to a different way of working. The connectivity programme has focused on embedding hybrid working in the Civic Offices.
- **Points to consider are:**
 - Access to services
 - Encouraging collaboration
 - Developing staff and teams
 - Accommodating our partners; NHS, CCG, Police, Probation Service
 - Intelligent technology
- Do we need the current civic capacity?
- Modernising Portsmouth City Council's workplace could be a civic architectural statement, create a contemporary office space that is representative of a modern, future looking Council as well as promoting the values that the City.

The brief of this workplace is to be developed but should reflect modern flexible working and respond to post-covid expectations on workflow and staff interaction and integrate a richer mixture of facilities and services, potentially community amenity or other support space.

Planning Policy

National planning policy in the NPPF advises that Councils should work to

*'promote the long-term **vitality and viability**' of centers by 'allowing them to **grow and diversify** in a way that can respond to rapid changes in the retail and leisure industries, allows a **suitable mix of uses**'*

In respect of community facilities Council's are required to:

*'**plan positively** for the provision and use of ... **community facilities**' and must 'guard against the **unnecessary loss** of valued facilities and services, particularly where this would reduce the community's ability to **meet its day-to-day needs**'.*

A photograph of a large, multi-story building under construction. The entire structure is covered in a dense grid of orange scaffolding. Several construction cranes are visible against a clear blue sky. In the foreground, there's a dirt construction site with some equipment and debris. A small figure of a person can be seen walking on the right side.

Criteria for any option

Setting Parameters

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- What do we HAVE to have e.g. space!
- Policy Compliant (environment, local plan, transport etc.)
- Cost Neutral or better for the City- value for money?
- What is the purpose of a new civic building?
- The current civic offices contains:
 - Customer accessible services, for example
 - Civic cashiers
 - Housing needs, advice and support
 - CCTV & TMC
 - Executive & Political Group Rooms
 - Support services functions
 - Do they all have to be relocated together?

Steering Group Principles

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Accessibility

- Be accessible and welcoming to all
- In walking distance of the Guildhall
- Customer facing services should be located where they are most needed

Public Health

- Improve services & space for residents
- Creating a healthy and safe workplace

Environmental

- Reduce carbon emissions
- Able to deliver climate targets for building management and maintenance
- Encourage active travel and facilitate green transport

Local Economy

- Create footfall in the City centre supporting local economy (driving spend in the city)
- To encourage office use into the city centre?

Other

Guildhall functions will remain in the square?

Principles Ranked

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1. Do members want to generate prior to FC?
2. X
3. X
4. X
5. X
6. X
7. X
8. x

A photograph of a large, modern building under construction. The structure is covered in extensive orange and yellow scaffolding. A tall construction crane is visible on the right side. In the background, a clear blue sky and a few other buildings are visible, including a prominent tower on the left.

Options appraisal



Option 1

Maintain Existing

30 Year Maintenance Plan

- Forecast expenditure on future maintenance: £116M
- Professional Fees 12%: £14M

TOTAL £130M

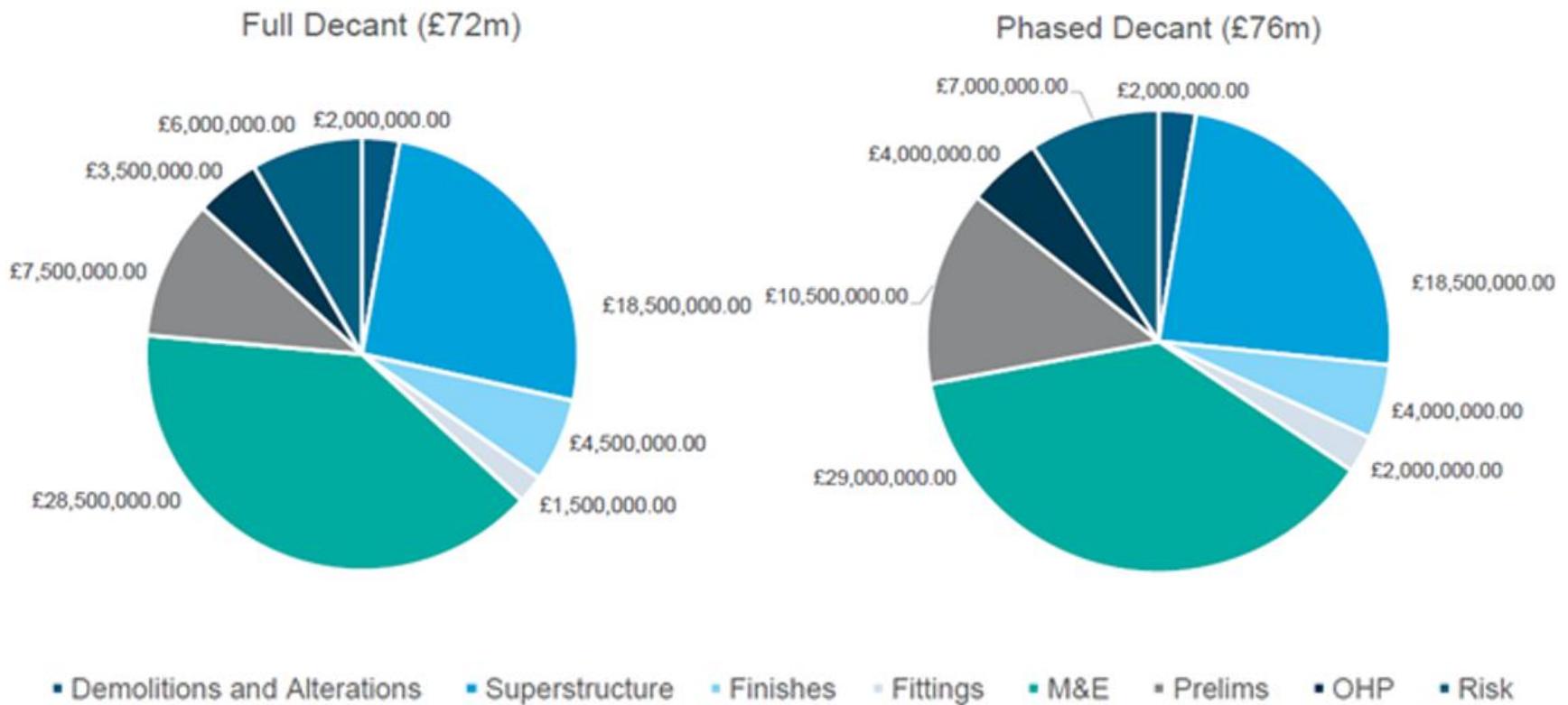
- Major work elements would require replacement of floors and wings for sustained periods
- Significant costs associated with;
External façade & roof
M&E maintenance and improvement

****Please note – these figures are dated November 2021, these may have now slightly increased due to cost inflation.***

Option 2

Full Refurbishment

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**Please note – these figures are from the condition survey dated November 2021 carried out by HNBS Directorate. These will have now slightly increased due to cost inflation.*

Option 3

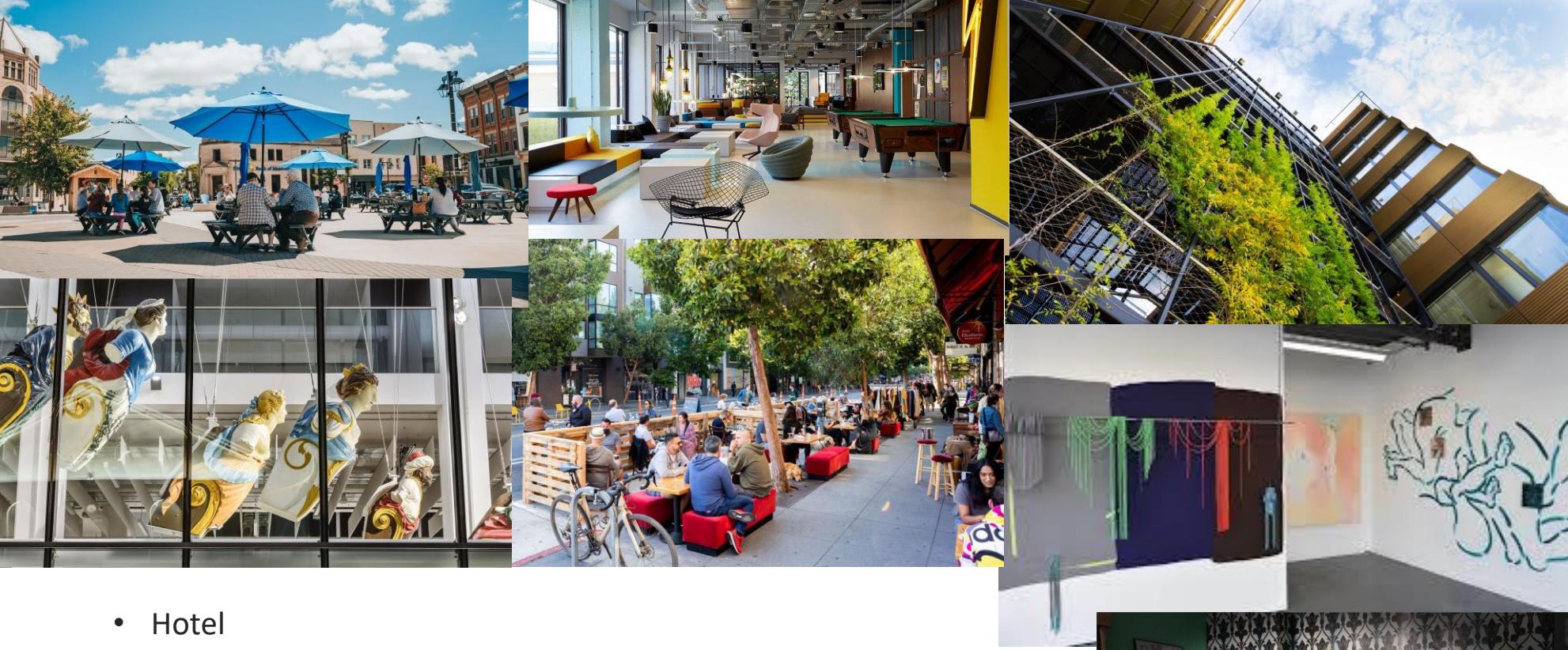
Relocation

The Relocation Opportunity

In considering this option, members should note that:

- All Options have the ability to support the local Economy however relocation can act as a **catalyst to regenerate** the City Centre
- To consider this option properly Members need to be clear on how the building will be used in future, to enable council to **size its accommodation appropriately**, to serve the community and staff most effectively.
- This is the best option to provide a **modern HQ** leading on quality, environmental standards and sustainability
- Has the best chance to create a **diverse set of facilities, services and attractions**
- An office development anchored by the City Council within a larger development, will **help viability** for the wider opportunity if handled correctly.

The potential for the existing site



- Hotel
- Conan Doyle/Sherlock homes experience
- Food and beverage opportunity to onlook Guildhall Square
- Greening/Green walls
- Event space
- Escape rooms
- Portsmouth Museum
- Art Exhibition Space/Pop up art gallery
- Residential



Delivery

Delivery options

Self build	Payback PWLB borrowing only	End up in PCC Ownership
Self build	3 rd party sale and leaseback	Asset returning to PCC on completion of the term
JV Delivery	Payback Partner borrowing and profit on cost percentage	PCC purchase or rent back on completion
Developer led delivery	Developer purchases	Council purchase back on completion
Developer led delivery for PCC	Council leaseback position agreed for a fixed term, would need the asset back to PCC at the end of the term.	Asset returned to PCC on completion of the term

Please note – these delivery options are dependent on the site proposed including the civic offices

High level costs

Option	Cost
Option A - Maintain	£130m
Option B - Regenerate existing	£72-£78m for decant
Option C - Relocate	£36m + land (based on 12,000 m ²)

Best practice

- What good looks like elsewhere?
- We don't need to re-invent the wheel