

Decision details

Council Office Consolidation - MAR16/CAB/16

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Decision Maker: Cabinet

Decision status: Called - in

Is Key decision?: Yes

Is subject to call in?: Yes

Purpose:

Cabinet received a report, the purpose of which was to seek approval:

- a) To proceed with consolidating the Council's back-office functions to Fletton Quays, authorising signing an appropriate agreement for lease and lease accordingly;
- b) To agree the principles of subsequently letting Bayard Place and the non-civic parts of the Town Hall (which would remain in Council ownership) for commercial use; and
- c) To agree associated decisions to deliver the project.

Cabinet considered the report and **RESOLVED:**

1. To approve the Office Consolidation outline business case, confirming the move to Fletton Quays and retention of the civic core to ensure that the Town Hall continued as the heart of democracy in Peterborough.
2. To delegate to the Corporate Director: Resources authority to conclude and sign an agreement for lease and lease for the new office development and associated car parking on Fletton Quays in conjunction with the Director of Governance.
3. To agree the principle of letting Bayard Place for commercial use as part of the Council's office consolidation plans, and to delegate authority to the Corporate Director: Resources in conjunction with Director of Governance to progress legal agreements pertaining to these at the appropriate time in consultation with the Cabinet Member for Resources under paragraph 3.4.3 of Part 3 of the Constitution in accordance with the terms of his portfolio at paragraphs (j) in consultation with the Leader if appropriate and (m).

4. To agree the principle of letting the non-civic core areas of the town hall for suitable alternative commercial uses, and to delegate authority to the Corporate Director: Resources and Director of Governance to progress legal agreements pertaining to these at the appropriate time in consultation with the Cabinet Member for Resources under paragraph 3.4.3 of Part 3 of the Constitution in accordance with the terms of his portfolio at paragraphs (j) in consultation with the Leader if appropriate and (m).
5. To delegate to the Corporate Director: Resources authority to agree short term extensions to the lease for Manor Drive to support the timing of office moves, and the subsequent termination following those moves in conjunction with the Director of Governance.
6. To delegate authority to the Corporate Director: Resources, in consultation with Director of Governance, to take forward contracts and arrangements as necessary to deliver the office consolidation as outlined in the report, including project delivery and capital works to buildings.
7. To delegate authority to the Corporate Director: Resources, in consultation with the Corporate Director: Growth and Regeneration to further develop the business case, including reviewing options for commercial lettings of Council buildings, developing energy efficiency business cases and maximising income.

Reasons for the decision:

The Council, in previous decisions, had made its intention to consolidate back office functions to Fletton Quays clear, subject to the financial case being beneficial to the Council and the city. Taking this forward would help facilitate a landmark regeneration site, provide the Council with much-needed flexibility in its office portfolio, align to its current programmes for flexible working, and would be financially beneficial over the long-term.

Alternative options considered:

1. Do Nothing

The Council's existing office estate was poorly suited to its current needs, something that was unlikely to improve as those needs evolved further over the short and medium term. Financially, the costs of operation and maintenance of

these buildings would continue to rest with the Council, costs that were predicted to be substantial over the coming twenty-five years. Coupled with the facilitation of the Council's long-term goal of regenerating Fletton Quays, these reasons made a compelling case for office consolidation, and so the option of doing nothing was rejected.

2. Consolidate Somewhere Other Than Fletton Quays

The Council had made its intention to consolidate to Fletton Quays clear in previous decisions and statements. Moving to a new office on that site was critical for ensuring the comprehensive regeneration of a landmark and all-too-long derelict city centre site, a regeneration highly unlikely to happen without the Council as a key anchor-tenant. This was because the work required to bring the Grade II Listed Engine Shed back into use was substantial, and a long-term pre-let provided the commercial confidence to make that commitment. Whilst other parts of the site could come forward without the Council's involvement, it would risk being a piecemeal and non-planning compliant regeneration, with the rear of the site likely to languish untouched.

Even were the Council to set this compelling commitment aside, there was a practical issue in that there was limited office space of the scale the Council needed – in the order of 90,000 square feet – available or likely to become available in the city, and especially in the city centre. Consolidating back-office functions in one location aligned with the Council's wider agenda on Customer Experience and flexible working, and required modern, adaptable office space to be successful.

Taking the lease on a new office that was being built as part of the Fletton Quays development provided the right office, in the right location, at the right time. This alternative was therefore rejected.

Interests and Nature of Interests Declared:

Councillor Holdich as Director of Peterborough Investment Partnership.
Councillor Hiller as Director of Peterborough Investment Partnership.

Background Documents:

None.

Publication date: 07/03/2016

Date of decision: 07/03/2016

APPENDIX 3

Date comes into force if not called in: 11/03/2016

Call-in deadline date: 10/03/2016

Current call-in Count: 1

Accompanying Documents:

- It is not anticipated that there will be any documents other than the report and relevant appendices to be published.