



Performance & Corporate Services Overview & Scrutiny Committee Friday, 19 January 2024

ADDENDA

5. Budget Proposals 2024/25 to 2026/27 (Pages 1 - 4)

As requested at the last meeting, a briefing note on the Shepherd project has been issued alongside the budget proposals.

6. City Centre Accommodation Strategy (Pages 5 - 170)

Cllr Dan Levy, Cabinet Member for Finance, Lorna Baxter, Executive Director of Resources, Vic Kurzeja, Director of Property Services, Chris Dyer, Operational Manager, Senior Project Lead, Property Investment and Community Facilities Management, and Michael Smedley, Head of Estates, Assets, and Investments have been invited to present a report on the City Centre Accommodation Strategy prior to its consideration at Cabinet.

The Committee is asked to consider the report and to **AGREE** any recommendations it wishes to make to Cabinet arising therefrom.

NB This item contains two confidential appendices.

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Supported Transport Digital Contract Management System

Project Overview Note

Introduction

1. Current budget saving commitments within The Council's 'Medium Term Financial Strategy', associated with the implementation of a digital contract management system (known as 'Shepherd'), is no longer able to be met. This has resulted in a £800k pressure for The Council's budget within 2024/25. As such, the Performance & Corporate Services Overview & Scrutiny Committee requested background and further information on the project due to the scale of financial impact of this.

Background

2. In 2019, opportunities for service improvements and potential cost savings within Supported Transport were explored. As part of that work, it was identified that increased use of technology might help achieve this in a variety of ways. In particular; increased availability of data to help support management of the service and decision making; along with using technology to improve management of both contracted and directly provided services.
3. A joint project across Supported Transport, IT, Innovation and Digital (including iHub) was established and in 2020 some initial scoping and feasibility work was undertaken. This work identified the potential financial and non-financial benefits of such a technology focused solution through a single holistic system approach. With the main aspects of a new system and equipment providing:
 - Real time & historical data – facial recognition driver log-on, student boarding, routing knowledge and optimisation, incident awareness and management.
 - Automatic payments to contractors – based on a digital footprint of what actually happened (not invoiced for what was supposed to happen).
4. The market research undertaken at the time had not identified any market providers of such a single system that would also be suitable for home to school transport. As such, working with the private sector and taking an incremental, proof of concept approach was concluded as the best strategy. This would enable the county council to develop requirements, check/test aspirations, enabling improved needs identification and associated benefits – with the expectation there would be an end product with a suitable support offer that could be procured.

Financial Commitments

5. At Full Council on 09 Feb 2021, as part of the budget setting process, the expected savings were approved as outlined in the table below. Savings were then delayed and reprofiled at Full Council on 08 Feb 2022 and 14 Feb 2023.

	2022/23 £000	2022/23 £000	2022/23 £000	2022/23 £000	Total £000
22EP11	-350	-250	-50	-150	-800

6. Overall, there was an investment of £100k in this project. £75k was an allocated budget investment, £25k was from Supported Transport one-off underspends. About £15k of that was for mobile equipment and cards which can be repurposed.
7. The savings related to more effective operational management and contract management (contract payments, and improved route and capacity optimisation) impacting on both transport costs and staff required, based on anticipated contract retendering dates.

Procurement

8. A contract with a value of £75k to undertake this project was directly awarded to IM23 Ltd in June 2021. IM23 Ltd were awarded the work as they were known to officers having worked on other projects requiring innovative thinking and development of ideas. In addition, the team had not identified any other potential company interested in working with the county council on this project - they were considered a unique provider in the marketplace.
9. Due to project delays and challenges a further investment of £25k was subsequently made in the hope these could be addressed and overcome. This additional spend was approved by the Project Board utilising budget from Supported Transports in-year underspends.
10. The work delivered the development and testing of a system which included the software interface as well as equipment on vehicles; achieving what was highlighted in paragraph 3.

Governance

11. The project was managed and governed by the iHub who provided updates to the service's senior leadership team.
12. Following projects delays, staff changes and the need to conclude direction, a revised project team was put in place with a new board stood up Nov 2022 chaired by the Director of Highways and Operations (supported by the Director of ITID).

Current Position

13. A decision to end the project was made in August 2023 by the Project Programme Board following a review of the project, latest financial assessment and refinement of systems needs.
14. It was concluded that whilst the original ambition had merit, the approach of one system doing everything had issues. In addition, it would cost more than

originally expected annually to include everything identified as needed (in particular the system support needs), and that some of the benefits were not as great as originally anticipated. This was a difficult but correct decision to take, although it meant that saving was not achievable.

15. Use of technology to enhance the Council's data for supported transport and enable improved efficiency is still being pursued. The focus however is now investigating isolated technology solutions for specific aspects which is how the market in this field seems to have developed. In particular; route optimisation, smart ticketing, driver vetting and vehicle tracking. Following the learning from this project, there will be a greater focus on use of technology that exists and is tried and tested rather than seeking to push boundaries within this particular sector.
16. The understanding, intelligence and data the team now have from the project will be used to inform future business cases and council requirements/specifications.

Reflections and Lessons Learnt

17. The Council has values that include 'daring to do it differently' and 'always learning'. Innovating to try and solve challenging issues means there will be failure at times, leading to not delivering savings and abortive cost/investments. This should be totally acceptable, providing that the governance, risk management and reporting is clear.
18. The main reflections and lessons learnt from the project, are:
 - a) The need to robustly understand and outline both development/pilot needs as well as likely mainstream requirements from the start, or ensure the project is suitably contracted and staged to enable the work to be in phases.
 - b) That it is not sensible or appropriate to commit (or over commit) potential financial savings when there is risk and uncertainty around a new initiative.
 - c) Strong governance that not only reflects the level of expenditure, but also the level of any saving committed is required.
 - d) The need for extra due diligence around clear and accountable governance structures and responsibilities when there are multiple teams involved.
 - e) That it is important to recognise and appreciate that many start-up / innovation companies won't necessarily have the support or ability to operate our mainstream needs.
 - f) To ensure that there is an understanding by all parties regarding the different needs between proof of concept, pilot and full operation stages, and how the transition between each will be undertaken and approved.
 - g) Ensure that all relevant interested parties are fully briefed and continually communicated with throughout such projects.

Paul Fermer - Director of Highways & Operations

Tim Spiers - Director of IT, Innovation, Digital and Transformation

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Divisions Affected - All

**PERFORMANCE & CORPORATE SERVICES
OVERVIEW & SCRUTINY COMMITTEE
19 JANUARY 2023**

OXFORD CITY CENTRE ACCOMMODATION STRATEGY

Report by Executive Director of Resources

RECOMMENDATION

The Committee is asked to comment on the proposal outlined in the report to progress Option 2: Consolidation in Speedwell House and disposal of County Hall.

Executive Summary

1. In November 2022 Cabinet approved the Property and Assets Strategy which set out Oxfordshire County Council's (OCC) 10-year ambition for its property portfolio driven by the need to repurpose the estate to enable new ways of delivering services, support agile working and decarbonise existing buildings.
2. The Strategy confirmed the continued need for a core central office and democratic facilities in Oxford city centre based on its central location, historical significance, strong public transport links, access to a larger workforce and the range of facilities in the city.
3. Following approval of the Strategy, the Oxford City Centre Accommodation Strategy project was established to drive forward the future of office accommodation and the Council's workplace in the city centre, giving consideration to available options and identifying a preferred option.
4. A cross party Cabinet Advisory Group (CAG) was established in February 2023 to provide guidance and feedback to the Cabinet Member for Finance, on the development of options and a business case to deliver the objectives set out in the Property and Assets Strategy, specifically in relation to the city centre accommodation options under the Oxford Accommodation Strategy.
5. An Initial Business Case was developed (the definition of which is a commitment to investigate) including the case for change and the rationale for the shortlisted

options and was considered by the CAG in June 2023. The shortlisted options were:

- (a) **Option 1 - Consolidation in County Hall** following major refurbishment, with the release of Speedwell House. This option would involve a temporary decant of County Hall to Speedwell House to enable the refurbishment of County Hall.
 - (b) **Option 2 - Consolidation in Speedwell House** following redevelopment and extension of the existing building, with the release of County Hall.
6. The CAG supported progressing further technical appraisal of these two options to inform an appraisal of the socioeconomic benefits of the options, and to test and confirm the preferred option in an Outline Business Case (the definition of which is a commitment to invest).
 7. The Outline Business Case recommends Option 2 (consolidate in Speedwell house and Dispose of County Hall). This Option demonstrates the greatest alignment with the Council's Spending Objectives and Critical Success Factors, whilst avoiding a complex decant of County Hall and associated costs, having a shorter delivery programme, and maximising the Council's role in place shaping and social value in the city.
 8. The CAG considered the Outline Business Case in December 2023 and supported the recommendation of the OBC, to proceed with Option 2.
 9. Annex 1 sets out a summary of the Outline Business Case.
Confidential Annexes 2 and Annex 3 set out the full Outline Business Case and supporting information. Given the commercially sensitive nature of both the costs and potential value of capital receipt, these two annexes are **exempt from the public**.

Strategic Case for Change

10. The Council is at a critical decision-making stage with regards to its city centre estate. There has been a cumulative lack of investment for over a decade in the city centre assets which has resulted in buildings that are either mothballed or require significant mechanical and electrical and Net Zero investment to comply with modern safety and compliance standards. This lack of investment has resulted in major assets such as County Hall and Speedwell House now requiring unaffordable amounts of investment if they are to be considered fit for purpose and compliant with modern standards. Added to this and following an increase in more agile working patterns as a part of the Delivering the Future Together Programme (DTFT) in a post pandemic world, it is no longer justifiable or sustainable to retain offices that, at their peak, are only 35% occupied at any given time.
11. There is now an unavoidable priority to take a decision on the future of the Council's city centre office accommodation, as well as a key window of market opportunity to maximise the Council's assets to support its financial

sustainability and the wider economic and social development of the city centre. To do nothing is no longer an option, the city centre assets do not reflect the organisation that OCC aspires to be - an employer, partner and placeshaper of choice - nor do they comply with modern safety and compliance standards. The Council has a once in a generation opportunity to use its assets, covenant and influence to be the 'place shaper of choice' in the city centre and at the heart of economic and social regeneration.

12. A high-level space assessment has been undertaken which estimates a total 4,500m² of space is required to house necessary democratic functions and the corporate workforce, taking into account improved space efficiency and a change in working patterns. Details are set out in Annex 1, Appendix 2.
13. Strategic Objectives and Critical Success Factors were identified by the project team and agreed with the CAG at IBC stage and were reconfirmed for the OBC. These are set out in Annex 1, Appendix 2. They reflect the aims of the programme and the city centre project itself. Spending Objectives consider the rationale and drivers for intervention and the key outcomes and benefits that are being sought, whilst the Critical Success Factors are attributes essential to the successful delivery of the project. Together the Spending Objectives and Critical Success Factors provide the framework against which options have been assessed and appraised in order to recommend a preferred option.

Initial Business Case (IBC)

14. In accordance with the Council's capital governance procedures, an Initial Business Case (IBC) was developed in the first half of 2023 to establish a case for change, consider a long-list of potential options and identify short-listed options. The IBC was developed through engagement with the Cabinet Advisory Group and provided a provisional budget for assessed and shortlisted options, with a commitment made to investigate options further.
15. The IBC was considered by the Cabinet Advisory Group in June 2023, with support for the shortlisted options identified be further appraised to confirm a preferred option.
16. The success criteria for the project were identified as required to achieve:
 - (a) Strategic fit and business requirements
 - (b) Value for money
 - (c) Contribution to regeneration
 - (d) Affordability
 - (e) Deliverability/achievability
17. The IBC considered city centre accommodation options across the following in scope assets:
 - (a) County Hall
 - (b) Speedwell House
 - (c) Rewley Road site

(d) Westgate Library Offices

18. The IBC determined that based on achievement of the success criteria, the following options should be appraised further within the Outline Business Case (OBC):

Option 1 - Consolidate in County Hall

19. Option 1 consolidates OCC's city centre workforce in a refurbished County Hall. This option assumes that Speedwell House would either be:
- (a) Released for disposal with or without outline planning consent.
 - (b) Retained and refurbished by the Council before being leased out for income generation purposes
 - (c) Retained under a ground lease enabling the Council to realise a capital receipt/share of the income

Option 2 - Consolidate in Speedwell House

20. Option 2 consolidates OCC's city centre workforce in a refurbished and extended Speedwell House. New County Hall and the Link building would be disposed of, with the option to either retain or release Old County Hall.
21. Following the refurbishment of Speedwell House, this option assumes that New County Hall and the Link building would either be:
- (a) Released for disposal with or without outline planning consent
 - (b) Retained and refurbished by the Council before being leased out for income generation purposes
 - (c) Retained under a ground lease enabling the Council to realise a capital receipt/share of the income

22. The preferred way forward following the qualitative and quantitative appraisal within the IBC was Option 2: Consolidation in Speedwell House. However, this decision was subject to further technical and financial appraisal of both shortlisted options described above as part of this OBC to determine the preferred option.

Option 0 – Do Minimum


23. A Do Minimum option was also carried forward from the IBC for further appraisal but only for comparison purposes. Under the Do Minimum option there is a base capital investment need of £26.3m across the retained city centre assets. This base need comprises major refurbishment, investment in mechanical and electrical systems, and investment to support Net Zero to enable continued long-term occupation in County Hall (and assumes that Speedwell House remains mothballed).

Outline Business Case (OBC)

24. Following the recommendation from IBC stage that the two shortlisted options be further appraised, the OBC undertakes a more detailed options appraisal and establishes the feasibility of the project, with a commitment to invest to a final budget. The OBC includes:
- The reaffirmed strategic case for change and the anticipated outcomes of the investment (including a data-driven evidence base that demonstrates the need to invest).
 - A refreshed option appraisal based on a detailed cost benefit analysis of each short-listed option following technical feasibility work.
 - An agreed procurement strategy.
 - An implementation plan and final budget for the preferred option.
25. Following the appraisal of the shortlisted options, Option 2 shows the greatest alignment with the Council's Spending Objectives and Critical Success Factors for the project and provides the Council with a new, fit for purpose, agile office space and democratic centre. It also releases key surplus assets in a prime city centre location that can therefore contribute to the social and economic development of Oxfordshire for future generations. This option also reduces the Council's city centre footprint by 43% as opposed to 33% under Option 1. There is also an associated programme benefit under Option 2 by avoiding the need to decant County Hall allowing the Council to deliver the programme within a shorter timeframe than Option 1. This saves the Council around 18 months and a considerable decant cost.
26. An appraisal of the Options against the spending objectives which has informed the assessment against the Critical Success Factors is set out below.

Option Assessment

● Likely to meet the CSF
 ● Potential to meet the CSF
 ● Not likely to meet the CSF



Critical Success Factors(CSFs)	The preferred option must...	Option 0	Option 1	Option 2	Comments
		Do Minimum	Consolidate in County Hall	Consolidate in Speedwell House	
Strategic fit and business requirements	<ul style="list-style-type: none"> Be consistent with Spending Objectives, service requirements, and customer and workforce needs 	●	●	●	Option 2 is likely to meet the Council's Spending Objectives, and workplace and customer requirements. Option 1 meets the Spending Objectives to a lesser extent as its contribution to the local economy and community is lower. Option 0 does not meet the Spending Objectives.
Value for money	<ul style="list-style-type: none"> Demonstrate optimal public value in terms of potential costs, benefits and risks Make net revenue savings on property running costs through a reduction in floor space 	●	●	●	Options 1 and 2 both release surplus assets for reinvestment, however the value of County Hall exceeds that of Speedwell House so Option 2 will release higher receipts overall. Option 2 delivers a greater reduction in floor area compared to Option 1.
Contribution to Regeneration	<ul style="list-style-type: none"> Contribution to regeneration and economic development Enhance social value in the city and countywide 	●	●	●	Given County Hall's greater floor area (5,500m ²) compared to Speedwell House (4,000m ²) and prime location, Option 2 shows the greatest contribution to regeneration through socio-economic benefits, and would deliver these more quickly.
Affordability	<ul style="list-style-type: none"> Be cost neutral or net positive Demonstrate minimum reliance on public borrowing 	●	●	●	Option 2 has the lowest net capital requirement and could provide the opportunity to achieve a cost neutral project without reliance on borrowing.
Deliverability / Achievability	<ul style="list-style-type: none"> Viability in planning, legal, third party and other terms Can match the level of available resource required for successful delivery Match the ability of potential suppliers to deliver the required services 	●	●	●	Option 2 has some planning risk in extending Speedwell House but avoids the need for a complex decant and brings a surplus asset to market more quickly than Option 1.
		Discount	Discount	Preferred Option	

Regeneration and Socio-economic Benefits

27. The Council has a once in a generation opportunity to use its assets, covenant and influence to be the '*placeshaper of choice*' in the city Centre and at the heart of social regeneration:
- The city centre masterplan is incomplete without a reimagining of the County Hall site as part of a corridor of regeneration, also comprising the redevelopment of the Rewley Road site. This creates a unique opportunity to provide real community and social benefit by encouraging innovation and investment, improving wellbeing, and creating a sustainable and greener future.
 - The redevelopment of Speedwell House for the Council's long term occupation will comprise improvements to the surrounding public realm, including open space and a potential cafe opposite the magistrates court, and will significantly enhance an area of the city where the market alone has not led to regeneration. This also links to wider aspirations to create a public sector quarter in this part of the city, alongside the crown court and police station.
 - Not only are there opportunities to work along side the ongoing rejuvenation of Oxford Castle Quarter but there is the potential to better link the city centre to the wider West End redevelopment (Oxpens, Osney Mead and Oxford station), opening up significant underutilised areas close to the bustling heart of a world-renowned city. Regenerating this area creates opportunities through modernising and improving existing employment sites in a central area that can be reached by people living close by, on foot, bike or public transport, minimising car journeys, with new homes incorporated into the overall master plan contributing to housing need in the city.
28. For these reasons Option 2: Consolidation in Speedwell House will provide most socio-economic benefit, beyond any commercial transaction, with the Council leading regeneration in a part of the city where the market has not, and releasing County Hall for alternative uses close to other areas of regeneration. Option 2 also releases a greater floor area than Option 1 for alternative uses with proportionate socio-economic benefits in terms of Gross Value Added (GVA), driven by the future use.
29. At this stage, Option 2 also delivers the most in terms of total quantifiable direct and indirect benefits over Option 1. It will also enable the Council to take the fullest placeshaping role and enable socio-economic benefits through:
- (a) Leading on redevelopment of public sector quarter around Speedwell House with improvements to the public realm
 - (b) Releasing County Hall to contribute to further regeneration of the West End and the city centre masterplan.

Stakeholder Engagement

30. A stakeholder engagement plan has been developed for internal stakeholders including elected councillors and colleagues across service areas, as well as external stakeholders such as Oxford City Council and potential One Public Estate partners. There will be a potential impact to the workforce, although deemed to be immaterial given any change to base office will be to another city centre location. The impact on colleagues, the environment and equality will continue to be addressed as the project progresses.

Next Steps and timescales

31. Cabinet will consider a report on 23 January with recommendations to:
 - (a) progress Option 2: 'Consolidation in Speedwell House and disposal of County Hall' as the preferred option and progress the project through the Council's capital governance and reporting processes, noting the financial position.
 - (b) engage the market to assess interest in both New and Old County Hall to inform a final decision on Old County Hall's future. (If these recommendations are approved then New County Hall will automatically be registered on the Disposal List)
32. In line with OCC capital governance, and HM Treasury Green Book guidance, this OBC will be followed by the Full Business Case and a commitment to spend.
33. Current timelines anticipate that Speedwell House would be ready for occupation by March 2027, with a sale of New County Hall prior to this. These timescales are indicative and are commensurate with the current level of design and stage of the project and are dependent on planning approval timelines.

Financial Implications

34. As set out in the report there is no option that does not result in additional investment being required. However, Option 1 and 2 generate receipts which it is expected would enable the associated costs to be funded.
35. Option 0, remain in County Hall with refurbishment, is expected to be the highest cost of the options in the OBC.
36. The expectation is that the costs of Option 2 can be met from the release of new County Hall. Consideration will need to be given to the approach for Old County Hall once a market engagement exercise has been undertaken.
37. Under Option 2 County Hall would continue to be utilised ahead of moving to Speedwell House saving any cost of additional accommodation required while work progresses. The capital receipt would need to be generated through a forward sale so that the property continues to be available for use until it is possible to move into Speedwell House.

38. The actual costs and capital receipts for Option 2 will become clearer after the completion of the market engagement exercise. Once this information is available, a decision can then be made on whether to proceed with the project and how it will be financed.
39. It currently costs £1.05m per annum to run the council's city centre estate. Both Option 1 and Option 2 show a marginal revenue efficiency compared to this baseline. However, when compared to the Do Minimum Option 0, Option 2 shows a slightly greater saving per annum saving, than Option 1. Given the relatively small difference in running costs across Options 1 and 2 this is not considered a key differentiator in the options appraisal.

Comments checked by:
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Legal Implications

40. There are no immediate legal implications for the Committee's consideration of the preferred option and the Council is entitled to determine how best to use its own property. However, the reorganisation of the Council's estate will require appropriate legal documentation to set out the transaction, consultancy and construction arrangements.

Comments checked by:
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Annex 1

Oxford Accommodation Strategy

Outline Business Case - Summary

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PERFORMANCE & CORPORATE SERVICES OVERVIEW & SCRUTINY COMMITTEE - SUMMARY DOCUMENT

January 2024

- There is now an unavoidable priority need to take a decision on the future of the Council's city centre office accommodation, as well as a key window of market opportunity to maximise the potential of the Council's assets to support its financial sustainability and the wider economic and social development of the city centre. **To do nothing is no longer an option**: city centre assets do not reflect the organisation OCC aspires to be - *an employer, partner and placeshaper of choice* - or comply with modern building and environmental standards.
- Compared to Option 1: Consolidation in County Hall, **Option 2: Consolidation in Speedwell House** shows the **greatest alignment** with the Council's Spending Objectives and Critical Success Factors whilst **avoiding** a complex decant of County Hall and associated costs, having a **shorter** delivery programme, and **maximising the Council's role in place shaping** and social value in the city.
- **Option 2 performs best in financial terms**, predominantly as a result of its lower net capital requirement. Also we see, under Option 1, annum revenue benefit compared to the Do Minimum option, although based on the latest capital receipt and cost estimates, it is not cost neutral at the OBC stage. However, it could provide the opportunity to be cost-neutral, primarily through the **avoidance of or reduction in expenditure** at Old County Hall.
- Given the above, **both** New County Hall and Old County Hall should be **included in market engagement** better to understand potential market interest in Old County Hall and inform a final decision on its future.
- Current timelines anticipate that Speedwell House will be ready for occupation by the **end of FY26/27**, with a forward sale of New County Hall at the end of 2025.

The Committee is asked to comment on the proposal outlined in the report to progress Option 2: Consolidation in Speedwell House and disposal of County Hall.

- Cabinet approved the overarching Property & Asset Strategy in November 2022. This established a move towards a community hub model and also **confirmed the continued need for a core central office and democratic facilities in Oxford city centre** based on its central location, historical significance, strong public transport links, access to a larger workforce and the range of facilities in the city.
- At the meeting on 30th June 2023, CAG considered an **Initial Business Case (IBC)** for the Oxford City Centre Accommodation Project including the case for change and the rationale for the shortlisted options.

Option 1 - Consolidation in County Hall following major refurbishment, with the release of Speedwell House. This option would involve a temporary decant of County Hall to Speedwell House to enable the refurbishment of County Hall.

Option 2 - Consolidation in Speedwell House following redevelopment and extension of the existing building, with the release of County Hall.

- CAG supported **progressing further technical appraisal** of these two options to i) inform an appraisal of the socioeconomic benefits of the options, and ii) test and confirm the preferred option in an **Outline Business Case (OBC)** in late 2023.
- Since June, **further feasibility work** has been undertaken on the redevelopment of Speedwell House for the Council's own occupation to inform Option 2, including conceptual design, revised costings and estimated programme. A market appraisal of County Hall has also been undertaken by Savills to assess alternative use potential and the associated market, values and planning considerations.
- The Outline Business Case is **summarised** in this paper.

There is an **unavoidable priority to take a decision on the future of the Council's city centre office accommodation**, as well as a **key window of market opportunity** to maximise the potential of the Council's assets to both support its financial sustainability and the wider economic development of the city centre for the benefit of future generations. A decision on the future of County Hall and Speedwell House has not been taken in over a decade, with a resultant postponement of any significant investment to date.

- It is **no longer justifiable or sustainable** to retain offices that are at their peak only 35% occupied at any given time. The move to Agile working demands a **new, more responsive and collaborative workplace** designed to meet the long term needs of the workforce and objectives of DTFT.
- The Council has for too long postponed any decision on the future of County Hall and Speedwell House to the point where **investment needs are now unaffordable without more fundamental change** to the asset base and **longer term ambition**.
- Building mechanical and electrical systems are **at the end of their life** which poses a risk to building operation and ultimately health and safety. The ability for these key assets to contribute to Net Zero Carbon targets in their current configuration is also **severely limited**.

Doing nothing is therefore not an option given the scale of investment needed.

- The city centre's central location, historical significance, strong public transport links, access to a larger workforce and the range of facilities in the city will mean it **continues to be the best location for corporate and democratic services** into the future.
- The potential for the Council's main city centre assets to contribute to regeneration and economic development **cannot continue to be ignored**. In the meantime they **do not reflect the organisation OCC aspires to be**.
- However, any future city centre estate option **must be cost neutral to the Council**, whilst also **maximising the contribution of the Council's assets to the economic development and regeneration** of the city centre.

The Council has a **once in a generation opportunity** to use its assets, covenant and influence to be the **'placeshaper of choice'** in the city centre and at the **heart of social regeneration**:

- The city centre masterplan is **incomplete without a reimagining of the County Hall site** as part of a **corridor of regeneration**, also comprising the **redevelopment of the Rewley Road site**. This creates a unique opportunity to provide real community and social benefit by creating jobs, encouraging innovation and investment, improving wellbeing, and creating a sustainable and greener future.
- The **redevelopment of Speedwell House** for the Council's long term occupation will comprise **improvements to the surrounding public realm**, including open space and a potential cafe opposite the magistrates court, and will significantly enhance an area of the city where the **market alone has not led to regeneration**. This also links to wider aspirations to create a **public sector quarter** in this part of the city, alongside the crown court and police station.
- **Not only** are there opportunities to rejuvenate the Oxford Castle Quarter but there is the potential to **better link** the city centre to the wider West End redevelopment (Oxpens, Osney Mead and Oxford station), opening up significant underutilised areas close to the bustling heart of a world-renowned city. Regenerating this area creates opportunities through modernising and improving existing employment sites in a central area that can be reached by people living close by, on foot, bike or public transport, minimising car journeys, with new homes incorporated into the overall master plan contributing to housing need in the city.

For these reasons **Option 2: Consolidation in Speedwell House will provide most socio-economic benefit**, beyond any commercial transaction, with the Council leading regeneration in a part of the city where the market has not, and releasing County Hall for alternative uses close to other areas of regeneration. Option 2 also **releases a greater floor area** than Option 1 for alternative uses with proportionate socio-economic benefits in terms of Gross Value Added (GVA), driven by the future use.

Proposed Speedwell House scheme, with enhancement of public realm



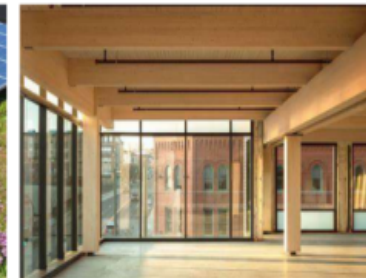
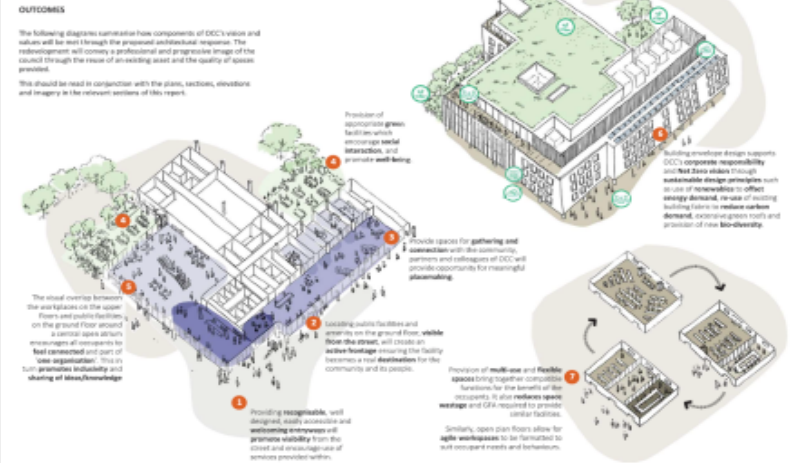
Redevelopment of OCC assets as part of wider regeneration of the West End



Sustainability & Net Zero Carbon Ambitions

The Council's workplaces need to support CSR (Corporate Social Responsibility) and the Council's commitment to be a zero carbon organisation, adhering to the **Council's Environmental Design Guide 2021**. The new public realm created as a result of current and proposed developments will create a destination and gateway into Oxford which is sustainable in the following ways:

- The **new fire station at Rewley Road**, which forms part of the wider regeneration of the West End, is currently being designed to be **net zero carbon in operation**.
- Any future redevelopment of the **County Hall site** will have to adhere to the Council's current planning and net zero policies (as mentioned above).
- The **redevelopment of Speedwell House will play a huge part in achieving some of the Council's net zero ambitions** and contribute to a circular economy by **reusing** the existing frame, structure and facade where possible, aiming for a reduction in the total embodied carbon to be net zero.
- Other targets for the Speedwell House redevelopment include:
 - Increasing the building insulation with new high performance windows and increased wall and roof insulation
 - Achieving BREEAM Outstanding
 - Adopting an all electric energy strategy, maximising the benefits of grid decarbonisation
 - Targeting a higher EPC rating
 - Using sustainable technologies such as Solar PV panels and air source heat pumps
 - Considering the use of green walls and green and blue roofs



Option Assessment

● Likely to meet the CSF
 ● Potential to meet the CSF
● Not likely to meet the CSF

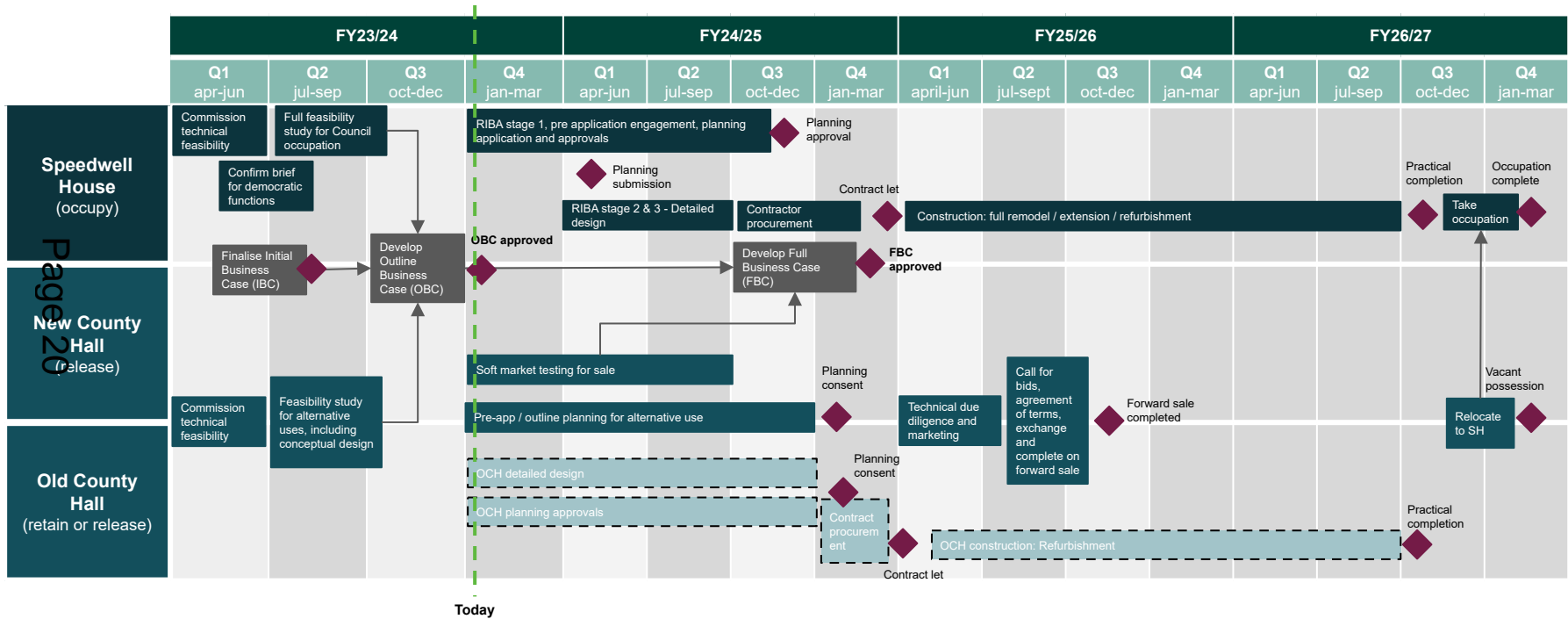


The qualitative appraisal of the options against the Spending Objectives is set out in **Annex 3** and informs the assessment against the CSFs below:

Critical Success Factors(CSFs)	The preferred option must...	Option 0	Option 1	Option 2	Comments
		Do Minimum	Consolidate in County Hall	Consolidate in Speedwell House	
Strategic fit and business requirements	<ul style="list-style-type: none"> Be consistent with Spending Objectives, service requirements, and customer and workforce needs 	●	●	●	Option 2 is likely to meet the Council's Spending Objectives, and workplace and customer requirements. Option 1 meets the Spending Objectives to a lesser extent as its contribution to the local economy and community is lower. Option 0 does not meeting the Spending Objectives.
Value for money	<ul style="list-style-type: none"> Demonstrate optimal public value in terms of potential costs, benefits and risks Make net revenue savings on property running costs through a reduction in floor space 	●	●	●	Options 1 and 2 both release surplus assets for reinvestment, however the value of County Hall exceeds that of Speedwell House so Option 2 will release higher receipts overall. Option 2 delivers a greater reduction in floor area compared to Option 1.
Contribution to Regeneration	<ul style="list-style-type: none"> Contribution to regeneration and economic development Enhance social value in the city and countywide 	●	●	●	Given County Hall's greater floor area (5,500m2) compared to Speedwell House (4,000m2) and prime location, Option 2 shows the greatest contribution to regeneration through socio-economic benefits, and would deliver these more quickly.
Affordability	<ul style="list-style-type: none"> Be cost neutral or net positive Demonstrate minimum reliance on public borrowing 	●	●	● / ●	Option 2 has the lowest net capital requirement and could provide the opportunity to achieve a cost neutral project without reliance on borrowing.
Deliverability / Achievability	<ul style="list-style-type: none"> Viability in planning, legal, third party and other terms Can match the level of available resource required for successful delivery Match the ability of potential suppliers to deliver the required services 	●	●	● / ●	Option 2 has some planning risk in extending Speedwell House but avoids the need for a complex decant and brings a surplus asset to market more quickly than Option 1.
		Discount	Discount	Preferred Option	

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Implementation Plan



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Appendix 1:

- Summary case for change
- Option shortlisting at Initial Business Case stage

There is an **unavoidable priority to take a decision on the future of the Council's city centre office accommodation**, as well as a **key window of market opportunity** to maximise the potential of the Council's assets to both support its financial sustainability and the wider economic development of the city centre for the benefit of future generations. A decision on the future of County Hall and Speedwell House has not been taken in over a decade, with a resultant postponement of any significant investment to date.

- It is **no longer justifiable or sustainable** to retain offices that are at their peak only 35% occupied at any given time. The move to Agile working demands a **new, more responsive and collaborative workplace** designed to meet the long term needs of the workforce and objectives of DTFT.
- The Council has for too long postponed any decision on the future of County Hall and Speedwell House to the point where **investment needs are now unaffordable** (estimated £20m for County Hall alone) **without more fundamental change** to the asset base and **longer term ambition**.
- Building mechanical and electrical systems are **at the end of their life** which poses a risk to building operation and ultimately health and safety. The ability for these key assets to contribute to Net Zero Carbon targets in their current configuration is also **severely limited**.

Doing nothing is therefore not an option given the scale of investment needed.

- The city centre's central location, historical significance, strong public transport links, access to a larger workforce and the range of facilities in the city will mean it **continues to be the best location for corporate and democratic services** into the future.
- The potential for the Council's main city centre assets to contribute to regeneration and economic development **cannot continue to be ignored**. In the meantime they **do not reflect the organisation OCC aspires to be**.
- However, any future city centre estate option **must be cost neutral to the Council**, whilst also **maximising the contribution of the Council's assets to the economic development and regeneration** of the city centre.

Option Shortlisting at IBC (1/2)

Option	Description	Decision	Rationale
Do Nothing - Baseline	In this option, no investment over and above routine 'mend and repair' costs will be made on any of the assets, and all assets will be retained	Carried forward as the do nothing baseline only	Doing nothing is not considered a viable option given it would not achieve any of the project's Spending Objectives or Critical Success Factors. However, in line with HMT Green Book guidance, this option has been carried forward as the baseline against which to compare the 'do something' options
Option 0 - Do Minimum	This option assumes that in scope assets are retained and invested in to bring them up to a suitable condition and standard for long-term use, including required Net Zero and Mechanical and Electrical works. Speedwell House remains mothballed.	Carried forward for comparison only	Whilst the Do Minimum option is deliverable the current estate will require significant levels of investment so would therefore not satisfy the affordability Critical Success Factor. This option does not meet the objectives of the Property and Assets Strategy, does not release any assets and does not meet the project Spending Objectives. However, in the absence of a decision on the future of the Council's city centre offices, this option reflects the investment needed over the next few years and therefore has been carried forward for comparison against the baseline and 'do something' options.
Option 1 - Consolidate in County Hall	This option consolidates OCC's city centre workforce in a refurbished County Hall. Speedwell House would be used as a decant space whilst refurbishment works took place before being released for disposal. The Register Office would move into Old County Hall and be sold. Westgate Library would be subject to required investment and retained.	Shortlisted for further appraisal	<p>This option meets each of the programme Critical Success Factors and Spending Objectives to some degree and has been shortlisted as it:</p> <ul style="list-style-type: none"> • releases surplus assets for capital reinvestment and alternative use; • creates less revenue pressure than Options 3 and 4; • supports the Council's ambition to have assets that enable agile ways of working; and • has the potential to achieve cost neutrality or generate future revenue savings. <p>It should be noted that to enable the refurbishment of County Hall staff and functions would need to decant to Speedwell House, which would require some limited investment and extend the programme period.</p>
Option 2 - Consolidate in Speedwell House	This option consolidates OCC's city centre workforce in a refurbished and extended Speedwell House. New County Hall would be released for disposal. The Register Office would move into Old County Hall and be sold. Westgate Library would be subject to required investment and retained.	Shortlisted for further appraisal	<p>This option meets each of the programme Critical Success Factors and Spending Objectives to some degree and has been shortlisted as it:</p> <ul style="list-style-type: none"> • releases surplus assets for capital reinvestment and alternative use; • creates less revenue pressure than Options 3 and 4; • supports the Council's ambition to have assets that enable agile ways of working; and • has the potential to achieve cost neutrality or generate future revenue savings. <p>No decant of staff and functions is required under this option as Speedwell House is currently vacant.</p>

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Option Shortlisting at IBC (2/2)

Option	Description	Decision	Rationale
<p>Option 3 - Consolidate in Rewley Road Office</p>	<p>This option consolidates OCC's city centre workforce in a new Rewley Road development to include the construction and fit-out of a new two-bay fire station. Under this option OCC has the potential to either a) lease the new office from a developer/investor following grant of a ground lease or b) the Council developing the site itself for its own occupation. Speedwell House and New County Hall would be disposed of. The Register Office would move into Old County Hall and be sold. Westgate Library would be subject to required investment and retained.</p>	<p>Discounted</p>	<p>This option fails to meet some of the project Critical Success Factors and Spending Objectives. It places a significant revenue pressure on the Council should it decide to lease the new Rewley Road office due to prime city centre rents close to the station. If the Council decided to self develop the site, there would be internal capacity/capability challenges with delivery risk. The Council would forgo any potential capital receipt from the release of any surplus area of the site if it were to occupy the whole site. Furthermore, continuing to occupy such a prime city centre site close to the station instead of releasing the site for wider economic development could create reputational risk and</p>
<p>Option 4 - New Council HQ in city centre</p>	<p>Option 4 involves the Council either i) developing a new HQ office on a new site in the city centre or alternatively ii) leasing a new HQ office building in the city centre, to accommodate the consolidated workforce and democratic functions. Under this option the Council would sell all current in-scope assets, with the exception of Westgate Library office, which would be subject to required investment and retained.</p>	<p>Discounted</p>	<p>This option fails to meet some of the project Critical Success Factors and Spending Objectives. It would incur significant land and development costs. Following preliminary market analysis there is no obvious site availability to make this a viable option for the Council. Option 4 also involves the disposal of all of the Council's existing in-scope office assets rather than leveraging the current asset base, which may be subject to some political resistance.</p>

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Appendix 2:

- Strategic Objectives
- Critical Success Factors
- Space requirements

Spending Objectives

- | | |
|--------------|---|
| SO.01 | To consolidate corporate and democratic functions in a single HQ in the city centre by 2028 in line with the Property & Assets Strategy and Community Hubs Programme |
| SO.02 | To provide work spaces that support a more agile and collaborative way of working, enabled by technology, to drive productivity and cultural benefits |
| SO.03 | Support the DTFT Programme and workforce strategy to enhance the employee experience and value proposition to drive improved recruitment and retention within the first operational year |
| SO.04 | Support the ESG agenda and the Council's 'Climate Action for a Thriving Oxfordshire' commitment to be a zero-carbon organisation by 2030, through the decarbonisation of the estate and other initiatives |
| SO.05 | Release surplus assets for regeneration purposes and to support the local economy and community |
| SO.06 | Optimise retained assets by addressing under-utilisation and reducing backlog maintenance |
| SO.07 | Maximise opportunities to co-locate our services with our partners |

Critical Success Factors		
CSF.01	Strategic fit and business requirements	<p>The preferred option must...</p> <ul style="list-style-type: none"> • be consistent with spending objectives, service requirements, and customer and workforce needs
CSF.02	Value for money	<p>The preferred option must...</p> <ul style="list-style-type: none"> • demonstrate optimal public value in terms of potential costs, benefits and risks • make net revenue savings on property running costs through a reduction in floor space
CSF.03	Contribution to Regeneration	<p>The preferred option must...</p> <ul style="list-style-type: none"> • Contribute to regeneration and economic development • Enhance social value in the city and countywide
CSF.04	Affordability	<p>The preferred option must...</p> <ul style="list-style-type: none"> • be cost neutral or net positive • demonstrate minimum reliance on public borrowing
CSF.05	Deliverability/Achievability	<p>The preferred option must demonstrate...</p> <ul style="list-style-type: none"> • Viability in planning, legal, third party and other terms • It can match the level of available resource required for successful delivery • An appropriate level of risk transfer through any delivery model

Space Requirements

Recent workforce data provided by the HR BPs has been compared to previous workforce and space assumptions from last year below. Democratic areas have been estimated using CAD plans. This indicates an estimated floor space of 3,500 + 1,000 = **4,500m² net**

Workforce - March 2023	Headcount	FTE	Workpoints	WP:FTE	m ²
Adult Social Care	156	137.3	27.5	0.20	247.2
Children's Services	169	145.3	25.2	0.17	227.2
Customer, Culture & Corporate Services	556	503.3	204.3	0.41	1,838.6
Environment & Place	384	370.2	81.1	0.22	730.2
Finance	73	60.2	17.7	0.29	159.2
Law & Governance	101	81.4	48.1	0.59	342.8
Oxford City Total	1,439	1,298	394	0.30	3,545



Democratic / Other Spaces	m ²
1st floor meeting rooms, lounge and offices (link)	255.8
Council Chamber	125.6
Coroner's Court	195.4
Meeting rooms (1-3 plus Grand Jury room)	302.9
Basement - storage / lab	199.5
Basement - other	178.0
Total	1,257

Workforce - March 2022	Headcount	FTE	Workpoints	WP:FTE	m ²
Oxford City Total *	1,858	1,542	542	0.34	4,881

* included Knights Court headcount

1. Knights Court headcount for city centre not material
2. 9m² per workpoint assumed
3. Assumption of reduction in storage in basement of County Hall plus further efficiency on democratic space through more efficient use (~25% efficiency)

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Appendix 3:

- Qualitative Appraisal of Shortlisted Options
- Key risks

Strengths

- Reduced backlog maintenance and goes some way to addressing Net Zero Carbon at County Hall
- Part addresses requirement to support a carbon neutral estate and essential maintenance, although this Do Minimum investment will not achieve full carbon neutral given the age and condition of existing assets and reliance on significant carbon off-setting is still expected

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Weaknesses

- Does not deliver on the Property & Asset Strategy's ambition for the city centre in terms of a single corporate/democratic HQ and reduced footprint
- Does not deliver on Spending Objectives
- Retains significant surplus space by not reducing the overall footprint in the city centre
- Speedwell House continues to be mothballed with associated holding costs
- Does not release surplus assets for wider contribution to economic development in the city
- Does not support Community Hub Programme and Agile working
- Does not significantly enhance employee experience and aims of DTFT

Opportunities

- Retains significant surplus capacity for future growth / occupation by partners (e.g. at Speedwell House)
- Opportunity to create a collaborative, agile working environment at County Hall could be taken alongside wider investment in maintenance, building mechanical and electrical systems and Net Zero Carbon

Threats

- Requires significant capital investment to address mechanical and electrical systems at end of life, plus Net Zero Carbon, just to retain existing assets
- Decant of County Hall likely to be needed to enable even baseline investment in the asset, with associated costs and disruption
- No decant space available in the city centre, using Speedwell House as a decant would require a light refurbishment or provide a fit for purpose building and an extension to the timeline
- Political/reputation risk of continuing to occupy surplus space in the city centre

Strengths

- Deep refurbishment and remodelling of County Hall would address current backlog maintenance and Net Zero Carbon issues for the long term
- Delivers a collaborative, agile working environment at County Hall
- Delivers a larger overall footprint than Speedwell House in terms of future occupation
- Retains the seat of the Council and democratic decision making in the county at County Hall with likely less political aversion
- Enables the release of Speedwell House and the Tidmarsh Lane building for disposal/alternative uses and income/receipts

Weaknesses

- Does not release County Hall for alternative uses in support of economic development and further regeneration of the west end of the city
- Potentially retains more floor space than the Council needs in future
- Net Zero Carbon potential of County Hall limited to some extent by the existing asset
- Footprint of County Hall is somewhat unconventional and less optimal for agile/collaborative working than a new build solution

Opportunities

- Opportunity to bring County Hall in line with wider development of the West End for long term occupation by the Council
- Opportunity to optimise the use of old County Hall and consider wider civic/ceremonial functions and potential income generation
- Opportunity to relocate Oxford Register Office to Old County Hall
- Opportunity to use Speedwell House as decant solution
- Any surplus space in County Hall could potentially be occupied by partners

Threats

- Decant of County Hall will be needed to enable even major refurbishment/remodelling, with associated costs and disruption
- Investment in Speedwell House to enable it to be used as a decant solution for two years is ultimately abortive cost
- Public perception of the Council continuing to sit on a prime site in the city centre surrounded by commercial land uses

Strengths

- Optimises Speedwell House through infilling / potential additional floor and commits to long term occupation by the Council in the city centre, whilst also enhancing the immediate area
- Creates a collaborative/agile working environment at Speedwell House with potential to accommodate democratic functions as well
- Releases the County Hall site (new and/or old) for alternative uses to maximise the contribution of the site to regeneration and economic development, whilst also releasing a potential significant capital receipt and/or income for the Council. Market appraisal work undertaken has determined that there would be a healthy market appetite for New County Hall across a range of different alternative uses, which can provide potential significant capital receipt and/or income for the Council.
- Avoids the need for a decant solution as the Council would stay in occupation at County Hall until such time as the refurbishment of Speedwell House concludes
- Enables the release of the Tidmarsh Lane building for disposal/alternative uses and capital receipt if Old County Hall is retained

Weaknesses

- The maximised floor area likely to be achievable at Speedwell House is slightly smaller than at County Hall, especially if democratic functions are relocated
- Net Zero Carbon potential of Speedwell House is limited to some extent by the existing asset
- If Old County Hall is retained the Council's continued occupation sits somewhat awkwardly between other commercial developments
- Market appraisal work identified that interest in acquiring Old County Hall on its own would be limited













Opportunities

- Opportunity to retain Old County Hall and consider wider civic/ceremonial functions and potential income generation
- Opportunity to dispose of Old County Hall with New County Hall for hotel use, as identified in the market appraisal
- Speedwell House's layout once remodelled can provide a more optimal environment for agile/collaborative working than other existing city centre assets
- Opportunity to relocate Oxford Register Office to Old County Hall
- Opportunity to consider a forward sale of County Hall whilst staying in occupation
- Opportunity to influence/control future use of the County Hall site for the benefit of the city centre, whilst meeting market demand

Threats

- If Old County Hall is released there is likely to be some political resistance
- If Old County Hall is released there will be the need to provide alternative accommodation for the Coroner's Court / Register Office
- There is some planning risk to securing consent to optimise the Speedwell House footprint, although it is expected that this can be managed through careful design and the pre-application process
- Likely to be limited ability to accommodate any future growth in the workforce at Speedwell House in the long term given the maximum footprint achievable

Key Risks - highest scoring at OBC (pre-mitigation)

	Risk	Severity	Mitigations	Mitigated Severity
1	Estimating future space requirements for the city centre is challenging based on available workforce data with potential to impact on space planning assumptions. Additional space requirements for the City Centre project from dependent projects such as Rewley Road are not yet defined.		Assumptions on space requirements made at IBC stage will remain in place, further engagement with dependent project leads on anticipated extra requirements is ongoing and any changes to future needs will be reflected in the FBC.	
2	Proposals for retained/new assets are dependent on securing planning consent which if not granted could constrain the site opportunity.		Following the approval of this OBC, planning work for Speedwell House and any other planning work associated with the preferred option can be progressed to inform future business cases. OCC can pursue early engagement with the City Council and a Reg 3 application/s may be appropriate for some of the required development at Speedwell House.	
Page 33	Risk of political divergence of opinion on a preferred option, and in particular on the future of County Hall.		Engagement with the Cabinet Advisory Group as the project progresses, as well as engagement with Councillors and other key stakeholders as part of the ongoing communications strategy for the project.	
	Lack of internal / service directorate buy-in to the preferred option		Clearly defined benefits that help colleagues understand how the changes will improve things for them. Formal communications and engagements plan being developed and aligned to the Delivering the Future Together programme to ensure meaningful dialogue with colleagues throughout. There is an intention to hold "all staff briefings" at regular intervals throughout the OBC and FBC development to update on progress and to ensure staff are made aware of any key changes that may be made. Work is ongoing to improve the Council's change management process and engagement on the City centre accommodation strategy will be included in those developments.	
5	A delay in internal governance processes may form a constraint on project timelines.		Early engagement with the relevant governance groups and establishing required governance at each stage to ensure project timelines can be met.	
6	Depending on the preferred option, insufficient work has been undertaken to date to understand the viability of splitting Old County Hall, New County Hall and the Link Building, in particular in terms of shared services (e.g. M&E), which may cause delays to the implementation of the preferred option.		There may be a requirement to undertake further works to understand the viability of splitting out the premises for differing future uses.	

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