

APPENDIX 1

COUNCIL HQ – OPTIONS APPRAISAL – SUMMARY TABLE

DESCRIPTION	CAPITAL COST	NET REVENUE * COST	AVERAGE ANNUAL RUNNING COST	WHOLE LIFE PROJECT COSTS / 30 YEARS	COMMENTS
1) <u>Option 1 – Do Minimum</u> – Minimal expenditure responding to building failures as they arise.	£10.62m (Years 1-5 only)	£415,594 pa	£1,551,613	£54.066m	- Little or no improvement in building efficiency. - Minimum essential repairs only. - No early improvement in current standard of accommodation. - Significant risk associated with services/building failure and business continuity - Poorest option in value for money terms. - Requires extension of leases at other office sites.
2) i) <u>Option 2 – New Build</u> – Full scale replacement Provision of new facility on alternative site ii) <u>Option 2a</u> – as above but with office space reduction to 0.8 desks per FTE	£22.72m £20.94m	£374,562 pa £164,271 pa	£919,642 £815,869	£48.470m £43.790m	- Assumes relocation from MBF site - Delivers average 50% reduction in occupied floor space - Achieves in excess of 100% of carbon reduction target for office accommodation - Up-front capital expenditure of c£21-23m in first 2 years of project. - MB site available for disposal. - No renewal of leases at Abbotsford House/Callander Square.
3) i) <u>Option 3 – Refurbishment</u> – Refurbishment of existing complex on like for like basis	£12.17m	£480,440 pa	£1,522,944	£54.822m	- Does not include any reconfiguration thus unsuitable for modern working practices. - Poor space utilisation - Low grade accommodation post refurbishment. - Requires extension of leases at other office sites. - Need for decant and temporary accommodation.

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ii) <u>Option 3a</u> Remodelling, eg to create additional capacity, creating 'open-plan' office environment.	£20.63m	£529,545 pa	£1,065.079	£50.451m	-Improves capacity and building efficiency - Key risks in this approach are i) structural integrity of building ii) need for decant & temporary accommodation iii) logistics/ICT continuity iv) asbestos removal costs and the impact on contract programme and duration v) may require extension dependant on floor space capacity achieved
4)i) <u>Option 4</u> Staged approach - phase development of new office and civic/town hall accommodation	£22.72m	£424,649 pa	£894,729	£47.772m	- Scores highest in non financial appraisal - Achieves in excess of 100% of carbon reduction target for office accommodation - Delivers average 50% reduction in occupied floor space.
ii) <u>Option 4a</u> - as above but with office space reduction to 0.8 desks per FTE	£20.94m	£215,239 pa	£791,837	£43.116m	- Highest value for money rating - Lowest running costs - Best option in non-financial appraisal terms - Provides flexible approach - Opportunity to utilise frontage of existing site for phased new development. - 0.8 desks option offers greater efficiencies/lower costs

* based on a current revenue cost of £1,731,280 and on an estimate of loan charges £60,000 per annum for every £1m borrowed over 30 years.