

Civic Centre Office Relocation

Extraordinary Council

18 September 2025

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Recommendations

- That Council approves **in principle**, the proposed office move to Senate Court, **subject to a further report in November 2025** which identifies the full cost and feasibility of the re-location;
- That the Council approves a budget of £412,000 to meet its obligations for the payment of the statutory compensation in securing the full vacant possession of Senate Court. **The cost will be met from the Guildhall Shopping Centre income surplus.**

Council will therefore have the final say as to whether the move to Senate Court proceeds in November 2025.

Overview

- The Civic Centre has many issues which would require addressing at considerable cost. These issues include:
 - DDA compliance;
 - Fire Risk compliance;
 - Asbestos management;
 - End of life mechanical & electrical equipment;
 - Priority repairs (roof leaks, lift replacement etc).
- The estimated cost of the above would extend to over £5m over a number of years – this would be to a minimum standard and does not include other component upgrades including windows, security systems, and water system upgrades.

Overview

- On 15 October 2024, Council approved a budget of £100,000 to produce a detailed costed plan to move out of the Civic Centre;
- At the time, the preferred proposal was to consider the office accommodation at the Guildhall Shopping Centre amongst a range of sites;
- In December 2024, the Government announced a proposal to invite bids for Unitary Councils covering all two tier areas, including Devon;
- It was immediately clear that a 140 workspace building (Guildhall capacity) would not be sufficient to future proof a useable building in Exeter regardless of the final Unitary solution.
- The detailed costed plan was not therefore procured and SMB's focus became building the case for LGR.

Overview

- In considering alternatives, Senate Court, a Council owned commercial Office block was identified as being close to empty with only one tenant in situ.
- The office accommodation will fit in excess of 300 workstations more in keeping with future requirements to offer accommodation capable of supporting a Unitary Council.
- The funding for the feasibility works was therefore used to produce a feasibility study for moving to Senate Court rather than Guildhall Offices.
- The unsuitability of Guildhall Offices was set out at in response to a question at Customer Focus Committee on 3 July 2025, but has not been formally brought back to Council.

Overview

- As a reminder, the reasons for seeking to move are:
 - The Civic Centre has many compliance issues and end of life equipment, which requires replacing. The funding to remain at the Civic Centre would come from the General Fund and add to the Council's financial challenges;
 - The Civic Centre site is identified in the Liveable Exeter programme and the emerging Local Plan as a future site for Housing;
- The proposed scheme is a transformational project which will contribute to achieving several outcomes of the Council's new Corporate Plan 2025-28
- The report has come forward urgently owing to the requirement to address the one remaining tenant who has a secure tenancy and therefore the right to a new lease. This would end the opportunity for the Council to consider moving to Senate Court.
- The report this evening therefore recommends approval in principle to the move to Senate Court, together with approving an enabling compensation package to secure vacant possession

Reasons for Recommending

- Whilst the costs of enhancing the Civic Centre and ensuring compliance would fall on the taxpayer, the Council can utilise Guildhall Shopping Centre surpluses to facilitate the release of the Civic Centre site for Housing;
- The building is entirely electrical and therefore can deliver a net zero headquarters for the City Council;
- It enables an underutilised but excellent building to be used to its maximum potential in the heart of the City's Office accommodation offer;
- It frees up the Civic Centre site for Housing in the future;
- If not required by a future Unitary council, the building will have been fully refurbished using funds that are set aside for regeneration purposes and will make the building more marketable for the future Unitary Council.

The Financial Case

Impact on Medium Term Financial Plan

- **Current Costs incurred**

- Civic Centre running costs £603,000
- Senate Court – costs £ 50,000
- **Total** **£653,000**

- **Future Costs**

- Senate running costs (est) £336,000
- Loss of rental income £153,000
- **Total** **£489,000**
- **Net Annual Saving** **£164,000**

Saving over 10 years £1,640,000

Less

Compensation £ 412,000

Short term costs – Civic £ 360,000
(3 years)

Benefit to Council over 10 years

£868,000

The Financial Case

Capital Costs

Civic Centre

- DDA compliance;
- Fire Risk compliance;
- Asbestos management;
- End of life mechanical & electrical equipment;
- Priority repairs (roof leaks, lift replacement etc).

Estimated cost - £5m over 3-5 years – funded by General Fund Borrowing

Capital Costs

Senate Court

- Replace M&E equipment;
- Adaptations to create Customer Service Centre / Committee Rooms;
- Minor adaptations on other floors;
- Internal decoration (where required);
- Any additional furniture (after reuse of existing furniture);
- IT (data Centre etc).

Estimated cost £2.5 - £3m funded from Guildhall Shopping Centre surplus income

The Financial Case

Guildhall Shopping Centre Account

2024-25 Earmarked Reserve **£2.899m**

2025-26 projected surplus **£0.888m**

£3.787m

Costs of moving

Compensation £0.412m

Improvements to Building £3.000m

£3.412m

Opportunity Costs

Guildhall income can be used for:

- Projects to deliver new Housing (GF not HRA);
- Projects linked to significant regeneration;
- Investment in Guildhall Shopping Centre.

The Environmental Case

- **Options to further reduce GHG at Senate Court**
- EPC C 74
- Gas Boilers;
- Low energy efficiency and insulation.
- Solar Panels providing contribution to electricity use;
- **Senate Court**
- The building is entirely electrical – no gas boilers;
- Therefore substantially lower carbon emissions than Civic Centre;
- EPC C 66 currently – anticipated to move to B post refurbishment;
- Solar Panels to provide around 25% of energy use.

The Environmental Case

- **Options to further reduce GHG at Senate Court**
- Buy 100% green energy tariff (with grid decarbonisation this plays a big difference)
- Build a solar array on Magdalen Rd Car Park and install a private wire to the building, so all energy is self generated
- Smart climate control heating system

Accessibility

- **Civic Centre**
- Very limited access to disabled toilets;
- Single lift in each building;
- Only flat access via Customer Service Centre, which closes at 2pm.
- **Senate Court**
- Disabled toilets on each floor;
- Two lifts;
- Flat access via main entrance.

Other Options

- **Do nothing**
- Remain in Civic Centre;
- Continue to market Senate Court;
- Delay Liveable Exeter site becoming available;
- Investment required in Civic Centre & Senate Court – to be funded by General Fund
- **Guildhall Shopping Centre Offices**
- Discounted as too small for future Unitary Council (140 workstations).
- **Other options**
- None available in existing portfolio, renting and purchase discounted as being more expensive than Civic Centre.

Key Drivers

The relocation from the Civic Centre enables a range of Corporate objectives to be realised including:

- **A better working environment for staff:** Senate Court will provide modern, open plan and energy efficient office space which can accommodate the broader Council requirements (including committee rooms, meeting rooms, the Customer Service centre and staff wellbeing facilities.)
- **Regeneration:** In accordance with the Council's Liveable Exeter programme, the release of the Civic site brings forwards a major housing/mixed use led redevelopment opportunity linked to the Eastgate regeneration area identified in the draft Exeter Local Plan



Key Drivers (cont)

- **A Well-Run Council:** Having regard to existing running cost and repairs/maintenance liabilities for the Civic Centre, the move to Senate Court would enable the Council to meet its operational requirements whilst achieving better value for money
- **Sustainability:** The building's improved energy efficiency credentials provides the opportunity to move towards a net zero building.
- **Local Economy:** The move to Senate Court would be a clear commitment by the Council to invest in and support the economic vitality of the city centre, helping to support local business and jobs.

Senate Court – Securing Vacant Possession

- Senate Court is vacant subject to an existing Tenant who occupies the first, ground and basement floors.
- The Tenant has been in occupation for over 14 years and is therefore entitle to statutory compensation on departure (Equating to 2 x Rateable Value - £412,000)
- An in-principle commercial agreement has been reached with the Tenant to vacate in July 2026
- This transaction must be concluded quickly to provide certainty to the tenant and enable them to secure alternative accommodation.

Senate Court – Delivery Arrangements

- A professional team has been appointed to assess the layout, specification, programme and cost of relocating to Senate Court.
- In the event Council approval is forthcoming, the vacation of the Tenant by July 26 will be key to maintaining delivery programme, targeting occupation in Spring 2027
- The feasibility study is advanced, the findings of which are expected to be reported to Full Council in November 2025.
- Whilst detailed design and value engineering options are still being looked at, the indicative capital cost is likely to be in the order of £2.5m to £3m.
- It is anticipated that the full costs of the relocation will be funded from the Guildhall income surplus