

## **REPORT TO COUNCIL**

Date of Meeting: 10 February 2026

Report of: Strategic Management Board

Title: Use of City Council Assets to Drive Regeneration

### **Is this a Key Decision?**

No

### **Is this an Executive or Council Function?**

Council

#### **1. What is the report about?**

- 1.1 To consider proposals to transfer the City Council's headquarters from the Civic Centre to Senate Court, to enable the Civic Centre site to be regenerated for a housing led mixed use development, as envisaged by the Liveable Exeter programme.
- 1.2 To consider an opportunity to deliver the approved capital project to refurbish the Material Reclamation Facility (MRF) in a different way and enable the Operations Service to vacate Belle Isle and move to the Exton Road depot.

#### **2. Recommendations:**

##### **Material Reclamation Facility**

- 2.1 That Council approves a decision to seek to purchase a new MRF facility located in Marsh Barton Road Exeter, in close proximity to the existing MRF depot, and transfer the Environment and Waste Service to the new facility;
- 2.2 That Council approves the move of the Operations Service from Belle Isle to Oakwood House and the Weighbridge depot sites with existing buildings utilised by the service for a workshop and storage of handheld equipment and the erection of storage facilities to house plant and other machinery;
- 2.3 That Council notes that the existing MRF building at Exton Road will be retained by Environment and Waste for use as the storage bays for the storage of sorted materials from the new MRF, the transfer of food waste and the storage of glass. The existing canteen area at the MRF will become a joint rest area for frontline staff from both Operations and Environment and Waste, with the training room retained and an office converted into a new drying facility for both services.
- 2.4 That Council approves the transfer of the budget of £2.5 million approved for new premises for the Parks & Green Spaces team to the approved MRF budget;
- 2.5 That Council approves an additional £2.6m to complete the purchase of the new MRF facility, fit out of the new MRF facility together with the move from Belle Isle of which £2 million will be financed from CIL.

2.6 That Council notes that a further report on options for the Belle Isle site will be presented to the Executive once it is vacated.

### **Civic Centre**

2.7 That the decision to abandon the feasibility study into Guildhall Offices be noted for the reasons set out in sections 10.5-10.6;

2.8 That the Council approves a capital budget of up to £3million to enable the implementation of an upgrade package to Senate Court to replace the Civic Centre;

2.9 That the decision on the final layout of the building be delegated to the Chief Executive.

2.10 A further report on the future regeneration opportunities at the Civic Centre site and the City Point site opposite the Civic Centre (incorporating the former Bus Station, now demolished) will be brought to the Executive in March 2026.

### **3. Reasons for the recommendation:**

3.1 To enable the City Council to deliver on a number of longstanding ambitions for the city, including additional housing, a long-term solution for recycling in the city and a long-term solution to the challenges raised by occupation of the Belle Isle site by Parks and Green Spaces.

3.2 To deliver improved accommodation for both Waste staff and the Parks and Green spaces team.

3.3 To acknowledge that Senate Court is now the preferred option for relocation rather than Guildhall Shopping Centre Offices.

3.4 To enable the City Council to transfer its headquarters to a modern, fit for purpose, accessible building without impacting on the Council Taxpayer and to remove the costly liabilities associated with the existing Civic Centre building.

3.5 To allow the Chief Executive to determine the most appropriate layout for the new office accommodation, as an operational issue, to meet the needs of staff, visitors and the Council.

### **4. What are the resource implications including non-financial resources:**

4.1 The Council have approved a budget for the refurbishment of the MRF and compliance improvements, of which £7.7m is currently left. Latest cost estimates for delivery of the scheme have risen to £13.6m as a result of challenges around land contamination (asbestos), proximity of Network Rail lines and location and capacity of storage tanks for the fire suppression system that will be required. Additionally, there are issues around easements for South West Water's plant that crosses the site placing constraints on some of the operational changes that were proposed. At the same time, the MRF, formerly run by Devon Contract Waste across the road has been put up for sale. It is being marketed at a sale price of £5.75 million. Additional equipment is

required but the scheme, including the move of the Operations Service to Exton Road can be delivered for £12.8m.

4.2 Vacating Belle Isle has the potential to deliver a further capital receipt to the Council.

4.3 The Senate Court proposal requires the allocation of funds of up to £3m to upgrade the building and fit it out to deliver high quality accommodation for Staff, Councillors and visitors.

4.4 As the proposal will achieve vacant possession of the existing Civic Centre site for a housing-led redevelopment scheme, it is appropriate to use Guildhall Shopping Centre surplus funds to finance the upgrade works, thus removing the financial liabilities to upgrade the Civic Centre, estimated at £5 million, which would fall on the General Fund.

4.5 The opportunity to relocate from the Civic Centre will act as a catalyst for the comprehensive regeneration of the Eastgate allocation in the emerging Exeter Plan. The City Point and Civic Centre sites are strategically important elements of Eastgate and are flagship Liveable Exeter projects, combining to create a statement of quality at the eastern end of the City Centre, delivering high quality public realm and connectivity, as part of a new vibrant residential led mixed use quarter of the City . A separate report on the future regeneration opportunities at Eastgate (incorporating the Civic Centre and City Point sites) will be brought to the Executive in due course.

## **5. Section 151 Officer comments:**

5.1 The proposals offer a great opportunity to upgrade significant operational buildings, deliver some key corporate priorities and enhance the working conditions for a significant number of staff in an affordable way that limits the impact on the Council Taxpayer. There is sufficient funding available in the Guildhall Shopping Centre Surplus to ensure that the move to Senate Court does not impact on the General Fund's financial position.

## **6. What are the legal aspects?**

6.1 The Council's power to provide office space to discharge its functions is a subsidiary power under section 111 of the Local Government Act 1972 which permits a local authority to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions.

6.2 With regard to the proposals, any procurement of goods or services must be in accordance with the Procurement Act 2023 and the Council's internal Procurement and Contract Procedures.

6.3 Relocation of existing staff must comply with all relevant Employment law requirements.

## **7. Monitoring Officer's comments:**

7.1 The Monitoring Officer has no additional comments.

## **8. Equality Act 2010 (The Act)**

8.1 We anticipate that the impact of the individual proposals on people with protected characteristics under the Act will largely be positive: for example, the move to Senate Court would resolve the current accessibility issues with the Civic Centre. As the projects develop, equality impact assessments will be undertaken at key stages to ensure full equality impacts are understood for staff, visitors and customers. Co-production with staff and other building users is a key principle being adopted for the detailed design work to be undertaken through the lifecycle of the projects.

## **9. Carbon Footprint (Environmental) Implications:**

9.1 The proposal for the new MRF will enhance environmental and sustainability credentials through:

- The Envirohub Building is rated at B (45) with a building emission rate of 34.39 kgCO<sub>2</sub>/m<sup>2</sup> per year and an assessed primary energy use of 261 kWh/m<sup>2</sup> assessed at 1,728m<sup>2</sup>.
- The Exton Road building is rated at C (60) with a building emission rate of 42.79 kgCO<sub>2</sub>/m<sup>2</sup> per year. The EPC for Exton Road is an older EPC and is assessed as a simpler building at 1,822m<sup>2</sup>.
- In simple terms based on these assessments, the Envirohub building emits 14.5 tonnes less CO<sub>2</sub> per annum than Exton Road.
- Specific improvements would be from - 200 solar panels on the Envirohub, and rainwater harvesting with a pumping facility for lorry washing.

9.2 The proposed upgrade works for Senate Court will enhance the buildings environmental and sustainability credentials primarily through:

- Undertaking an extensive replacement of existing mechanical and electrical systems and associated ventilation infrastructure.
- Installing a roof mounted PV solar array (requiring the grant of planning consent).
- The combination of these enhancements (together the building being entirely electric operated) will improve the existing EPC rating from C to B with the potential to achieve an EPC A rating (subject to further due diligence being undertaken).

## **10. Report details:**

### **Materials Reclamation Facility – Business Case for the acquisition of the Envirohub Building**

10.1 **Operational Proposal** – A current scheme is being developed for the replacement of the recycling plant at the Exton Road MRF. This will involve extensive works to remove the existing plant, design, manufacture and install new plant and undertake extensive works to the building and infrastructure to accommodate this. There are a number of reasons why the existing facility needs to be redeveloped:

- Elements of the facility are at capacity
- Some of the plant and equipment is nearing the end of its life with spares unavailable

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- A fire suppression system is needed as part of the
- Requirements under the Environmental Permitting Regulations going forward
- Increased recycling capability across different materials is required

10.2 A design team has been procured, and extensive surveys and investigations have been undertaken to confirm the scope of work and remedial works that are required. The existing site has a number of challenges around ground contamination, proximity of Network Rail lines and location and capacity of storage tanks for the fire suppression system that will be required. Additionally, there are issues around easements for South West Water's plant that crosses the site placing constraints on some of the operational changes that are proposed.

10.3 The current budget prepared by the Consultants for the scheme stands at £12,670,000 but when the shutdown period and consequent loss of income is included, this increases the budget cost to £13,586,000. The current programme anticipates that the facility will be non-operational for 25 weeks while the existing plant is removed and the new plant and building works are implemented.

10.4 An opportunity has arisen to purchase the Envirohub Building from DCW Polymers, which is a current licensed waste facility that is located directly across the road from the existing MRF Facility on Exton Road.

10.5 The Envirohub building is similar in gross internal floor area to the existing building but is much newer in construction (2019) and its equipment is also newer. The building includes:

- Ancillary office accommodation which could accommodate 50 staff and meeting space over 2 floors.
- 200 solar panels on a 2012 feed in tariff (FIT) of 15p.
- Rainwater harvesting and pumping facility for lorry washing.
- HGV truck wash bay with access platform to enable full truck washing.
- Full HGV workshop including inspection pit with power and lighting.
- HGV weighbridge installed new in 2020 fully calibrated.

10.6 The site has an Environment Agency permit under the Environmental Permitting Regulations which grants permission for 75,000 tonne throughput per year operating 18 hour days 7 days a week except Christmas and New Year. By way of comparison, the Council's MRF currently processes 7,500 tonnes of material per year. The building will need works undertaking to it to make it operational in a manner that suits the Exeter waste team including new recycling plant and the provision of a tipping hall and additional fire suppression, but all of this can be undertaken with the existing plant continuing to operate and therefore losing no productivity.

10.7 The business case assumes that all staff from Environment and Waste will relocate to the new building, freeing up Oakwood House for a minor refurbishment to allow the Operations Service (Parks and Green Spaces) to relocate from Belle Isle to fully utilise the space. The existing weighbridge and surrounds would be improved to allow parking for articulated lorries that do not need to enter the MRF site and to provide parking for

staff at the hub.

10.8 The current MRF building would then be utilised to store processed materials prior to being moved off site. This business case assumes like for like output of recycled material but the combined buildings do offer the opportunity to increase throughput and generate additional revenues through more commercial recycling. Initial assessment indicates that acquisition of the Envirohub building, combined with the Exton Road facilities, could deliver up to 30% increased commercial capacity to the service, both from Council contracts and from working relationships with other waste management companies. The opportunity to increase outputs also aligns very closely with the scope of Local Government Reorganisation and provides a scalable, flexible and futureproof proposal.

10.9 As stated, the financial comparison case in this report is looking at the options of refurbishing and fitting out the existing building and purchasing and fitting out the Envirohub Building.

10.10 The capital cost to Exeter City Council of each project has been assessed as follows:

**Exton Road MRF –**

Budget project cost	£12,670,000
Cost of the 25-week shutdown assessed by waste team	£ 506,000
Loss of income	£ 410,000
<b>Total cost to ECC</b>	<b>£13,586,000</b>

**Envirohub Building –**

Purchase price	£ 5,750,000
Fit out plant and equipment	£ 5,750,000
Construct tipping hall	£ 400,000
Building modifications and fire suppression	£ 850,000
PV income capitalised	- £ 129,000
Oakwood House refurbishment	£ 250,000
<b>Total cost to ECC</b>	<b>£12,871,000</b>

10.11 Given the extensive works required at the existing facility and the complexity due to constraints, it is considered that undertaking the works in the new building will be a more cost-effective solution. The approximate 25-week shutdown of Exton Road will incur costs for haulage and gate fees elsewhere and will reduce income from selling in recycled materials and these have been calculated by the waste team. In addition, there will be extra costs for transferring the material to the bulking station before it is transported by the haulier to 3<sup>rd</sup> party facilities. In total, the approximate costs relating to loss of income and increased haulage is £916,000.

10.12 The costs estimated do not consider that the current weighbridge site and vehicle wash are reaching the end of their functional life and may need replacement in the short to medium term or at the very least ongoing repairs and replacement parts. The costs assume that staffing levels remain the same in both options. No adjustment has been made in terms of heating and power consumption differences between the buildings, but the newer building should be more efficient and easier to control.

10.13 There is capacity at the Envirohub Building to increase the capacity of PV on the roof. It is believed that the additionality would be subject to a less favourable export tariff than the current arrangement and would incur a capital cost, so no account has been taken of the reduced running cost, export income or capital outlay in this exercise.

10.14 In assessing the plant replacement cost a figure of £5,750,000 has been used in each option, a figure taken from the Consultants budget. The cost of the tipping hall is based on a budget estimate prepared earlier this year for an extension to the existing MRF, reduced in size and assumes that the foundations are in and the current surface can be used. The cost of fire suppression and modifications is based on us being able to use localised deluge systems and fire compartmentation. PV income has been based on the number of panels, an estimated wattage per panel and the stated FIT and the income has been capitalised on the basis of an 8% yield. The office space could be used to relocate other staff, but no saving has been assumed for this.

10.15 In continuing operations at the existing building, the income for the period of shutdown will be retained providing a capital benefit. This has only been shown as a cost against the existing site and not as a benefit of the new site. Whilst not being assessed as part of this exercise it should be noted that both DCW Polymers and ECC have had valuations undertaken of the property. It is estimated that to buy the land and to develop the building as a project would cost between £6 and £7 million. This would indicate that at £5,750,000, the purchase represents reasonable value.

10.16 The Exton Road MRF has been operational for over 25 years and the team there know how to operate it. Everything is familiar but of dated design and technology. The current project and plans for refurbishment are extensive and will essentially leave the team with a new facility albeit in familiar surroundings. There will be operational constraints when complete as elements such as storage bays may not be ideally located due to the SWW easement.

10.17 The new building will be a totally new environment to the team but being newer it should have better controls and greater flexibility in the base shell for operational efficiency. The new building has rainwater harvesting for use in the vehicle wash and the vehicle wash facilities are improved and an increase in capacity over the Exton Road facilities.

10.18 The weighbridge at the existing MRF is passed its useful life and the new building has a relatively new weighbridge on site which provides options for automation and improved throughput. Retaining operations at Exton Road means that any plans to bring other teams onto the site will mean decanting and moving operations around, refurbishing buildings and potential disruption to day-to-day operations.

10.19 If the new site is acquired, then the existing site can be retained and re-configured more easily without disrupting operations. This will allow some of the older buildings such as the Nissen Hut and the Carpenter's Workshop to be demolished more safely. Rationalising the site will allow for the provision of space to move the team and equipment from Belle Isle, therefore freeing the Belle Isle site up for housing which has been under consideration for several years. This will allow the Operations Directorate to

consolidate teams and operations around this hub. The existing building could also be used as an enclosed store for processed materials. Additionally, this would allow food waste to be stored internally to reduce the instances of pests such as seagulls in the area and would be beneficial to the neighbours and environment.

**10.20 EPC Comparisons** - The Envirohub Building is rated at B (45) with a building emission rate of 34.39 kgCO<sub>2</sub>/m<sup>2</sup> per year and an assessed primary energy use of 261 kWh/m<sup>2</sup> assessed at 1,728m<sup>2</sup>. The Exton Road building is rated at C (60) with a building emission rate of 42.79 kgCO<sub>2</sub>/m<sup>2</sup> per year. The EPC for Exton Road is an older EPC and is assessed as a simpler building at 1,822m<sup>2</sup>. In simple terms based on these assessments, the Envirohub building emits 14.5 tonnes less CO<sub>2</sub> per annum than Exton Road.

**10.21 Workforce Benefits** - Due to its age, its surroundings and condition, the working conditions at Exton Road do not compare with the more modern and brighter working environment at the Envirohub Building. It is difficult to measure the impact that this may have on productivity or staff wellbeing, but studies indicate that fresher and cleaner environments are good for mental and physical wellbeing.

10.22 The new building has better facilities for personal hygiene and currently has a gym area which is proposed to be converted to offices for staff. The new building also has kitchenettes and locker facilities. It is proposed that the office and welfare facilities at the MRF are re-configured and lightly refurbished to provide welfare facilities for both waste operations and public and green space teams. The site, when combined with the existing building and the weighbridge provides considerable extra space and flexibility across operations for storage, parking and vehicle movements. This will assist with Health and Safety requirements and will address the current Health and Safety inadequacies at the Exton Road site.

### **Liveable Exeter**

10.23 In 2019, the City Council launched its Liveable Exeter programme, which demonstrated how the city could deliver 12,000 new homes on predominantly brown field sites within the city boundaries. This programme underpins the emerging local plan and has been revised to focus on 6 sites based in the city centre.

10.24 The Eastgate site, covers land from the former bus station and includes the current Civic Centre site.

10.25 The opportunity to relocate from the Civic Centre will therefore act as a catalyst for the comprehensive regeneration of the Eastgate allocation in the emerging Exeter Plan. The City Point and Civic Centre sites are strategically important elements of Eastgate and are flagship Liveable Exeter projects, combining to create a statement of quality at the eastern end of the City Centre, delivering high quality public realm and connectivity, as part of a new vibrant residential led mixed use quarter of the city.

10.26 In order to facilitate this opportunity, Commercial Assets have been tasked with looking at a range of options to move the Council's Headquarters to enable vacation of the Civic Centre site. Over the past three years, discussions and quotes have been received from organisations that have spare capacity, property owners with space to lease alongside a detailed review of our own portfolio to enable Officers to present the option that provides best value for money to the Council. Unsurprisingly the cost of leasing, alongside service charges and existing business costs was substantially higher

than occupying the Council in premises that it already owns and therefore the search was narrowed to property in the Council's ownership.

### **Guildhall Shopping Centre**

10.27 Council agreed in October 2024 to allocate funds to draw up detailed plans for a potential move to a number of sites in the City Centre based around the main HQ moving to Office accommodation in the Guildhall shopping Centre. Shortly after, the Government announced the intention to abolish all Councils in remaining two-tier areas and create Unitary Councils to replace them and therefore this work was not commissioned as Officers worked to understand the implications of the announcement.

10.28 The Guildhall led split site relocation option would have delivered around 200 workstations, which would not have delivered sufficient capacity for the Council with its current flexible working arrangements. It certainly would not have been sufficient to deliver a solution fit for a new Unitary Council. On this basis Officers looked for other suitable properties within the Council's own portfolio. Senate Court was identified as a modern Office block, whose occupation levels had fallen from full capacity down to one floor being occupied. In terms of size, it is roughly the same size as one of the Civic Centre blocks.

### **Senate Court**

10.29 To assess the potential of Senate Court to provide a modern and fit for purpose HQ facility for the Council's Civic Centre function, the Commercial Assets Service has appointed and project managed a professional team comprising of the following specialisms – Architecture, Cost, Project Management, Mechanical & Electrical/Sustainability using the funds set aside to draw up detailed plans for an office move to secure the vacant possession of the Civic Centre.

10.30 The Feasibility Study that has been produced is attached as Appendix 1 and responds to the Council's Brief to deliver efficient HQ office accommodation that embodies excellent sustainability credentials. A full summary of the Council's base accommodation requirement is also included within the attached Feasibility Study.

10.31 The findings of the Feasibility Study have demonstrated that Senate Court is able to provide high quality office accommodation for at least 306 formal workstations (desks) and 226 breakout/informal workstations (representing the Base Case Option) whilst still providing an acceptable provision of staff welfare facilities, collaboration space, meeting rooms and storage. Importantly, due to the age and specification of Senate Court the building has the potential to deliver an Energy Performance Certificate (EPC) A rating subject to further due diligence being undertaken.

10.32 The following commentary represents a summary of progress achieved to date importantly including a capital cost assessment of the proposed upgrade works.

The Feasibility Study is a comprehensive architectural, design and technical assessment which evaluates the building fabric, mechanical and electrical infrastructure and sustainability credentials. Based on the Council's accommodation and operational requirements, the study also provides a comprehensive capacity assessment and floor by

floor layout which identifies the location and arrangement of key facilities including staff welfare, committee rooms, Customer Service Centre together with traditional office zones and informal collaboration and touch down spaces.

10.33 In total, three main design options were investigated, ranging from higher desk density to more collaborative layouts, ensuring adaptability for future working practices.

### Proposed layout

10.34 The feasibility study sets out a range of potential layouts for the office accommodation on the upper three floors as set out below. In all instances, the ground floor will accommodate a customer service centre, flexible committee rooms and staff facilities. SMB wish to engage with staff to ensure that their views are taken into account, and therefore it is recommended the final decision on layout is delegated to the Chief Executive. Below is a summary of the accommodation.

- **Car Parking:** The property benefits from 31 basement/undercroft car parking spaces (incl. 7no double/tandem bays and 4no accessible bays) together with 3 spaces situated adjacent to the front entrance. Investigative work is underway to establish the potential (and technical viability) of accommodating up to 8 electric vehicle charging bays with 3 to the front of the building and 5 to the rear within the basement area (a Fire Risk Assessment by a competent Fire Engineer will be required in order to advise on the viability of the proposed 5 EV basement spaces).
- **Ground floor:** A reconfigured Customer Service Centre, improved reception and access, public WCs and flexible committee rooms. Staff facilities on the ground floor include a secure entrance, locker rooms, showers and a breakout refectory area.
- **Three Upper floors:** A mix of open-plan workstations, leadership offices (Leader, Chief Executive, 4 x Strategic Directors), enclosed and hybrid meeting spaces, breakout zones and storage.
- **Overall capacity:** Either 306 formal desks with 236 informal desks, and a committee room for up to 80 people and supporting facilities across all floors or up to a maximum 484 formal desks with 96 informal desks and a committee room for up to 80 people and supporting facilities across all floors.

10.35 It is considered that these proposals meet the Council's brief by delivering a modern, flexible, sustainable and accessible workplace that supports staff and customer needs

### Sustainability

10.36 The sustainability and energy efficiency proposals will provide a significant improvement when compared to the performance of the existing Civic Centre. In terms of key outputs, the following applies:

- **Civic Centre** – The building has gas boilers and suffers from low energy efficiency and insulation with an EPC C rating.

- **Senate Court** – The building is all electric with no gas installations. This means substantially lower carbon emissions when compared to the Civic Centre. The current EPC rating is C. However, with the replacement of mechanical and electrical building management and ventilation equipment together with the installation of a roof mounted photo voltaic (PV) panel array (providing c 25% of energy generation), there is the potential for the building to achieve an EPC A rating.

10.37 The Brief incorporates an aspiration for Senate Court to achieve Net Zero Carbon (NZC) status in due course - this will involve a roadmap and installation strategy which is consistent with delivering a NZC building. Achieving NZC can be delivered as a single project or split into multiple future phases. For example, fabric up-grades such as triple glazing, are not proposed in the current upgrade specification however, such an investment could be incorporated within future maintenance proposals - when the existing glazing starts to reach the end of its serviceable life and triggers a practical need to replace it (which is not anticipated for a considerable period).

10.38 The proposed rooftop PV array for Senate Court, combined with a new, highly efficient services installation, means that the building will:

- Achieve c. 28% reduction in CO2 emissions.
- Reduce annual electricity costs from c. £150k/yr to c. £120k/yr (assuming a fix price tariff).
- Reduce annual carbon emissions from 65 tonnes CO2/yr to 52 tonnes CO2/yr.
- Elevate the current EPC C to EPC B, with the potential to elevate to an A rating depending on final roof PV proposals.

10.39 To note, there are further potential options available to improve the sustainability position of Senate Court which include;

- Buying a 100% Green Energy Tariff.
- Future proposals to implement a solar PV on Magdalen Road Car Park with connection to the building (ensuring all energy is self-generated).
- Smart Climate Control Heating.

#### Senate Court Refurbishment - Project Cost

10.40 Based on an assessment of current proposals and associated specifications, an itemised cost plan has been developed which reflects an overall capital cost sum of £2.85m (equating to £693/m.sq).

10.41 In terms of a high-level breakdown of the headline costs the following applies:

- Mechanical, Electrical, Plumbing - £692k.

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- Fixtures, Fittings, Equipment - £447k.
- IT Installation - £400k.
- Re-roofing - £220k.
- Risk allowance - £101k.

10.42 This cost assessment is based on the following core assumptions:

- Professional fees at 6%.
- Allowance made for IT costs, re-roofing and PVs.
- A split of 40% new furniture and 60% refurbishment of existing furniture.
- Current day costs (i.e. no inflation allowance).
- External/structural works assumed as not being required.
- 5% contingency allowance.

A detailed cost plan is contained within the Feasibility Study.

#### Implementation Programme

10.43 A project delivery programme has been produced. The key dates are as follows:

Item	Start	Finish
• Feasibility Stage Report	June 2025	October 2025
• Executive/Council Sign Off	November 2025	December 2025
• Formulate Main Tender	November 2025	January 2026
• Main Contractor Tender Period	February 2026	April 2026
• Construction Period	May 2026	December 2026
• Testing and Handover	January 2027	January 2027

10.44 Clearly it will be important that a structured communication and consultation exercise is undertaken during the implementation and building handover phases to ensure staff are kept informed of progress and understand what is required (and what support is available) during the relocation phases to Senate Court (expected in Spring 2027).

#### Funding Position

10.45 The Guildhall Shopping Centre Surplus Funds (GSCSF) can be utilised in the following circumstances:

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

10.46 Given the adopted Eastgate planning framework and residential development potential of the existing Civic Centre site, it is considered appropriate that the GSCSF can be drawn upon to fund the upgrade of Senate Court - as securing vacant possession of the Civic site helps to enable this substantial housing-led regeneration initiative.

10.47 In terms of the overall financial stack, the summary table below clearly sets out the funding position and availability of surplus funds (a proportion of which are proposed to be ringfenced for this project):

<b>Guildhall Shopping Centre Account</b>	
2024-25 Earmarked Reserve	£2.899m
2025-26 projected surplus	£0.888m
<b>Total</b>	<b>£3.787m</b>
<b>Cost of Relocation</b>	
Tenant Compensation	£0.412m
Building Upgrade	£3m (Up to)
<b>Total</b>	<b>£3.412m</b>

10.48 In addition to the above project specific funding position, a high-level assessment has also been undertaken concerning the impact of the medium-term financial plan. Based on a combination of actual and forecast running costs applicable to the Civic Centre and Senate Court (together with associated compensation costs incurred and adjustments for loss of income) the net capital benefit to the Council is projected to be £868k over a 10-year period.

<b>Current Costs Incurred</b>	
Civic Centre Running Costs	£603k
Senate Court Costs	50k
<b>Total</b>	<b>£653k</b>
<b>Future Costs</b>	
Senate Court Running Cost (est)	£336k
Loss of Rental Income	£153k
<b>Total</b>	<b>£489k</b>
<b>Net Annual Saving</b>	<b>£164k</b>
Saving over 10 yrs	£1.164m
FA Compensation	£412k
Short Term Costs – Civic Centre (3yrs)	C £360k
<b>Benefit to ECC (10 yrs)</b>	<b>£868k</b>

## Workforce Impact

10.49 This transformational relocation project will require the implementation of a structured consultation process to ensure staff remain properly informed and that issues can be discussed openly and concerns addressed in a timely manner. The potential impact on staff arising from the initiation and completion of this project will be managed.

## **11. How does the decision contribute to the Council's Corporate Plan?**

11.1 Achieving vacant possession of the Civic site together with relocating to Senate Court supports the delivery of the following overarching strategic priorities:

- **Homes:** The Civic Centre site has been identified in the Liveable Exeter programme and the Exeter Plan as providing an opportunity for a high quality residential-led scheme. In the event this relocation project proceeds, working in partnership with stakeholders, the Council will have the opportunity to bring this key site forwards to the market.
- **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. Additionally, the benefit of the MRF proposal would provide more effective and efficient operational space for both the Environment and Waste and Operations Services.
- **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.
- **Sustainable Environment:** The building's improved energy efficiency credentials are also in closer alignment with the Council's sustainability agenda. There is also the opportunity to move towards a net zero building.

## **12. What risks are there and how can they be reduced?**

12.1 The top 5 project risks and associated mitigation strategies are as follows;

<b>Risk</b>	<b>Mitigation Strategy</b>
Planning Consent Required for Roof Mounted PVs	Engagement with planners. Ensure time allowance in programme.
Project Budget / Construction Inflation	Ensure competitive procurement through SCF. Cost Benchmark all rates.
Delivery of Net Zero	No-gas building/ efficient PV panels to roof
Provision of EV Chargers	Three chargers can be provided to the remote external spaces. Potential for further chargers to undercroft parking area but clarity required.
Timescale for Building Handover / Occupation	Early contractor engagement to programme the works and consider logistics. Overlap soft-strip to upper floors

	with final month of Foot Anstey occupation to the ground floor.
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The benefits case, incorporating risk identification, for the MRF proposal is detailed below.

Benefits Case for Purchase of New Building	
	Measurable
Non Financial	<p>40 workstations 14.5 tonnes CO2 reduction</p> <p>£410,000 income retained £10K PA FIT revenue £506,000 transport and time cost avoided Additional insurance requirement Lower capital cost than remodelling existing</p>
Financial	
Non Financial	<p>Creation of operational hub No reliance on SWW co-operation Better staff morale Unencumbered by Network Rail Improved welfare facilities No disruption to service</p> <p>Opportunity to dispose of Belle Isle Operational efficiencies Repairs / maintenance to weighbridge avoided Repairs / maintenance to vehicle wash avoided Reduced MRF maintenance and running costs Potential to increase output and revenue</p>
Non measurable	
Benefits Case for Remodelling Existing Building	
	Measurable
Non Financial	<p>Additional insurance premium avoided £410K loss of income £506K transport costs incurred</p>
Financial	
Non Financial	<p>Better single storey horizontal floor area Familiarity with current layout</p>
Non measurable	

### 13. Are there any other options?

13.1 Retaining the Civic Centre site and setting out a detailed plan for improvements is an option. The costs would fall on the General Fund, but it would free up the Guildhall shopping Centre surplus for other regeneration projects or housing led developments.

For enquiries please contact: [democratic.services@exeter.gov.uk](mailto:democratic.services@exeter.gov.uk)

13.2 The alternative to the MRF proposal would be to proceed with the refurbishment of the current building but this would require £5.8m of additional capital funding.

**Strategic Management Board**

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**Local Government (Access to Information) Act 1972 (as amended)**

Background papers used in compiling this report:

None