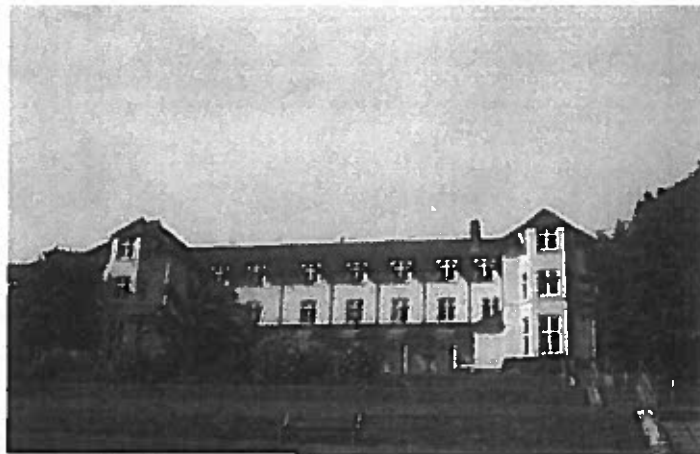


INITIAL FEASIBILITY STUDY

EAST DEVON DISTRICT COUNCIL RELOCATION FROM THE KNOWLE, SIDMOUTH TO SITES AT HONITON & EXMOUTH



9 MARCH 2010

alder king



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Introduction

Following the strategy report prepared on the 3rd December 2009 by Alder King regarding the possible relocation of East Devon District Council's offices from The Knowle, Sidmouth. This report has been prepared as a thumbnail sketch to explore the possibility of a split location between the Sita Site adjacent to the East Devon Business Centre at Heathpark, Honiton, as shown at Appendix 1 and the existing Council offices at Exmouth Town Hall, as shown in Appendix 2.

The purpose of the report is to in brief explore the indicative costs / feasibility of considering these options further.

We recommend that a space audit is undertaken to assess which departments would be best suited in each location. Then subject to the split of floor areas between the 2 sites, a more detailed assessment is undertaken to include operational efficient, economic impact, etc.



Site Adjacent to East Devon Business Centre, Honiton

The plan in Appendix 1 identifies a three storey office building of 25,270 sq ft net internal floor area, which gives an illustration of the sort of building which could be constructed adjacent to the East Devon Business Centre and thus share facilities.

Stratus House is an existing building as identified by the photographs in Appendix 1, constructed at Exeter Business Park, approximately 6 years ago. Although it has VRV four pipe fan coiled air conditioning and provides open plan accommodation, its specification would need upgrading to meet current environmental standards.

The building demonstrates how allowing for ample car parking, a suitable office building could be constructed on this site. A detailed car parking plan will be required in due course to establish the position, but at first glance and looking at the synergies with East Devon Business Centre, it is possible that an even greater floor area could be accommodated on this site if required.

The next stage would be to refine the plans to suit your requirements, obtain some indicative costings, upgrade a specification and running costs on the proposed building.

Town Hall Exmouth

The Property is identified on the plan in Appendix 2 (which includes floor plans). Approximately 5,563 sq ft net internal over the 1st and 2nd floors, (net of the aer outlined in red), is let to Devon County Council on a 10 year lease which expires on 19th May 2010 at a rental of [REDACTED] per annum. Externally, there is a car parking provision within the lease for 25 spaces. There is a service charge levied at 50.5% of the total running costs and £500 towards the receptionist.

The building has been inspected and is generally in good condition. The major areas of upgrading which would be required would relate to heating, lighting and power distribution and potentially provision of cloakroom facilities on the first floor level. A more detailed study should be undertaken, together with costings for a planned maintenance programme.

Overall the building, although of some age is well maintained, well positioned, offers car parking and is a statement as to EDDC presence in the town.

The building is potentially relatively efficient in terms of its layout (subject to considerations in relation to the usage of the Council Chamber Committee Room, etc), being arranged in accordance with the attached plans.

The key issue is the lease expiry to Devon County Council and the value of the lease should it be renewed.

The Land Registry extract for the building doesn't clearly identify the ownership of the adjacent hall. If expansion of the facility is required, then further enquiries should be made as to the ongoing usage of the adjacent hall.

Viability

We have not undertaken a detailed appraisal of either option, but simply produced some indicative figures to illustrate the potential cost.

Honiton

As you already own this site, the principle costs will be for construction, using the same figures as outlined in our initial report on the relocation (see Appendix 3 which includes pages 24 & 25 of this report) of [REDACTED] as per the attached appraisal below:

<u>CONSTRUCTION</u>	Total Grs Area *	@ft2	Start Period 12/12 (Inc. contingency @ 5%)	/ Other	Gross	Net
Office	29,729	[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]
Total Construction						
<u>FEES</u>						
Architect		[REDACTED]			[REDACTED]	
Quantity Surveyor		[REDACTED]			[REDACTED]	
Structural Engineer		[REDACTED]			[REDACTED]	
Mechanical & Electrical		[REDACTED]			[REDACTED]	
Project Manager		[REDACTED]			[REDACTED]	
Planning		[REDACTED]			[REDACTED]	
Building Regulations		[REDACTED]			[REDACTED]	
Sale legal fee		[REDACTED]			[REDACTED]	
Sale agent fee		[REDACTED]			[REDACTED]	
Total fees						[REDACTED]
<u>OTHER COSTS</u>						
Cat B Costs					[REDACTED]	
Total other costs						[REDACTED]
GROSS DEVELOPMENT COSTS						[REDACTED]

* The net floor area of the building is 25,270 sq ft, which would convert to an approximate gross floor area of 29,729 sq ft for construction purposes.

This also includes as allowance of [REDACTED] net internal floor Category B fit out.



Note

No allowance has been made for finance costs over the construction period, these can be added in after further discussion

Although we have used [REDACTED] to achieve a BREEAM excellent building. We are aware that the construction market is currently competitive and at Exeter Business Park recent contracts have indicated anywhere between £110 - £120 psf for a similar specification can be achieved. These detailed figures should be explored further.

Therefore the total cost of the facility of this size at Honiton is going to be in the region of [REDACTED] to include fees. No doubt you will have a notional cost for the land which should be added in, together with any off site works and any other contributions.

Exmouth

The main issue with Exmouth is whether or not the County will give possession and the configuration of the building. I have identified on the floor area plans shaded blue, walls which we believe could be removed to create more open plan areas.

It is a matter of looking at the departments you would wish to operate from this building and then assessing whether or not these are cellular or open plan areas. If the configuration needs adapting, these works would need to be costed. No doubt you will also be taking into consideration the benefit of the current rent received from DCC.

Subject to a planned maintenance programme being prepared for the building, if you were to occupy the whole, we would suggest that if all the services are in good order, you would need to allow a figure of circa [REDACTED] = approximately [REDACTED] for fitting out the space to your requirements. This however should be the subject of a more detailed study.



Operational Efficiency

We have obtained some running costs for The Knowle, as identified in Appendix 4. I presume that Display Energy Certificates exist for both The Knowle and Exmouth Town Hall. These should be accompanied by a report and recommendations. It would be useful to compare this information with the EPC which we are obtaining for Stratus House and compare this with data on the most recent specification for energy efficient buildings which would need BREEAM excellence.

The communities our Local Government Sustainable Operations Policy states under Section 53 ' We will ensure that all new builds, office relocations and major refurbishments achieve an overall BREEAM excellent rating and specifically and excellent rating in the areas of energy and water, unless site constraints or project objectives mean that the requirement conflicts with the obligation to achieve value for money on a whole life basis.

Where site constraints and project objectives conflict with this requirement, a project should at least achieve an overall BREEAM rating of very good and an excellent rating in the areas of energy and water.' Therefore within the scope of the SBEM (Simplified Building Energy Model) there is scope for adapting to circumstances within the overall remit. It is suggested that further consultation is undertaken with South West Regeneration in terms of the current thinking.



Summary

The following key issues should be considered further:

- Any enhanced value from The Knowle due to planning gain beyond the assumptions used to prepare our report of 3 December 2009.
- The suitability of The Sita Site at Honiton, both in terms of its economic impact and its ability to provide the required space.
- The impact of the Council having an increased presence in Exmouth, having regard to its population and sub-regional significance.
- In addition to cost savings from the operational efficiency of the proposed buildings, there will undoubtedly be significant benefits from reduced carbon emissions to travel. This is both in terms of work force and visitors and the increased level of public transport available in both Honiton and Exmouth as opposed to Sidmouth.

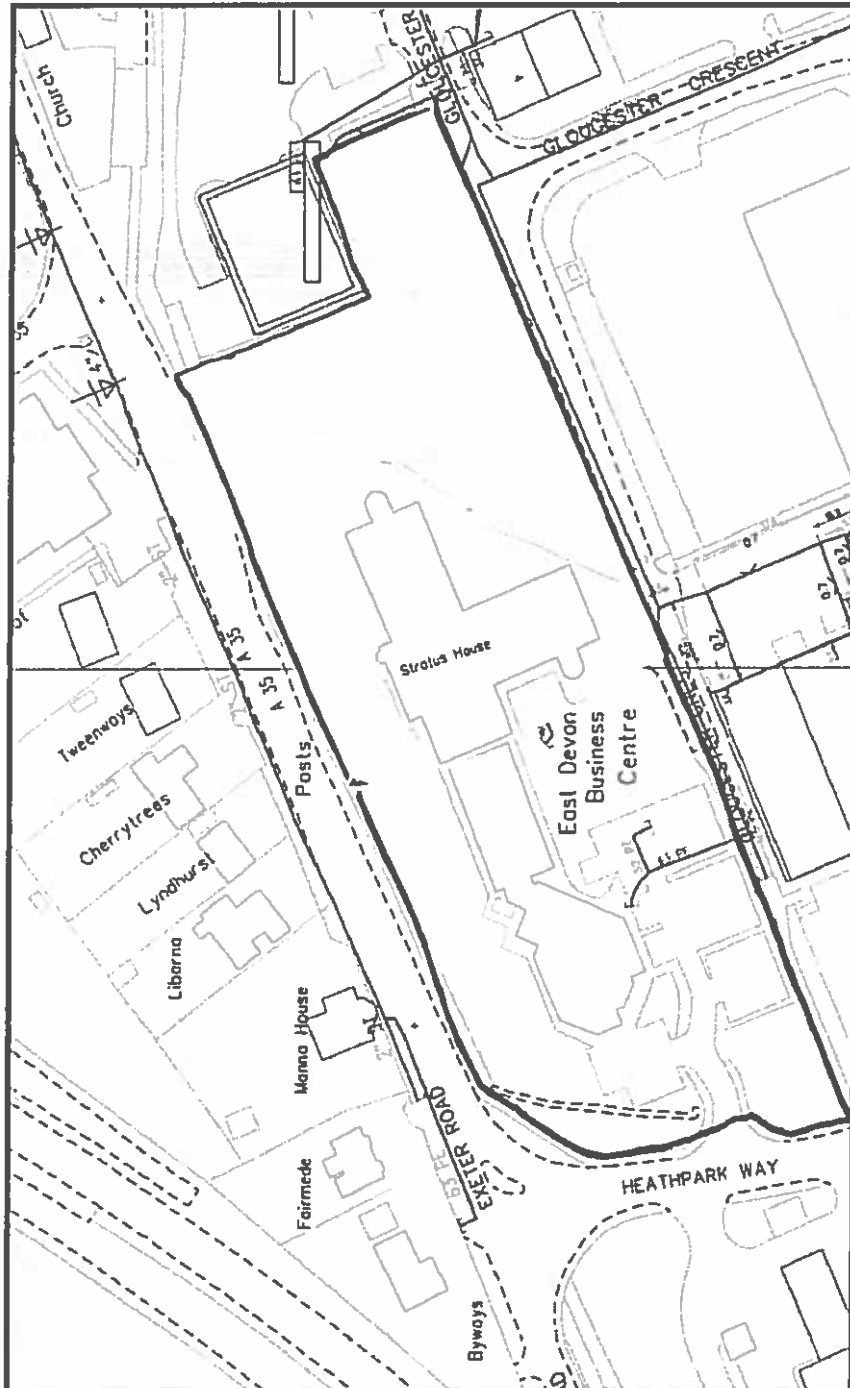
Our preliminary findings would indicate that there is a potential capital receipt from The Knowle, Sidmouth which allowing restrictive planning basis as per our valuation would be [REDACTED] but could be closer to [REDACTED] if residential development rather than employment were considered.

Subject to a space audit and floor areas being confirmed, the based cost for a new facility of 25,270 sq ft net internal at Honiton would be circa [REDACTED] and subject to the amount of adaptations / refurbishment required, The Town Hall at Exmouth could be suitable for reuse by East Devon subject to Devon County Council vacating upon the expiry of their Lease.



APPENDIX 1

SITA SITE, HONITON



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Stratus House, Exeter Business Park – Front Elevation



Stratus House, Exeter Business Park – Typical Open Plan Floor Area

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APPENDIX 2

EXMOUTH TOWN HALL

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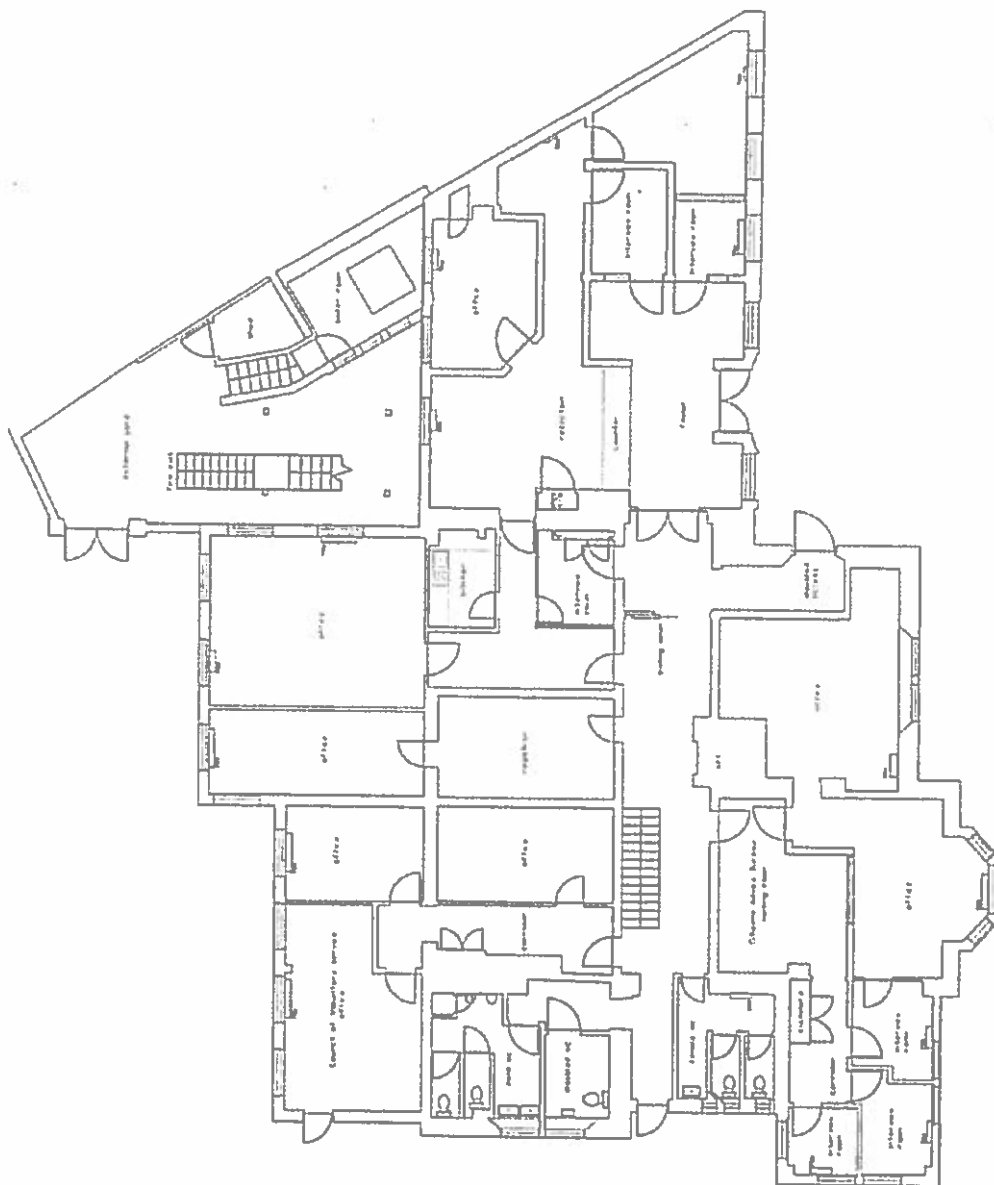


Exmouth Town Hall – External

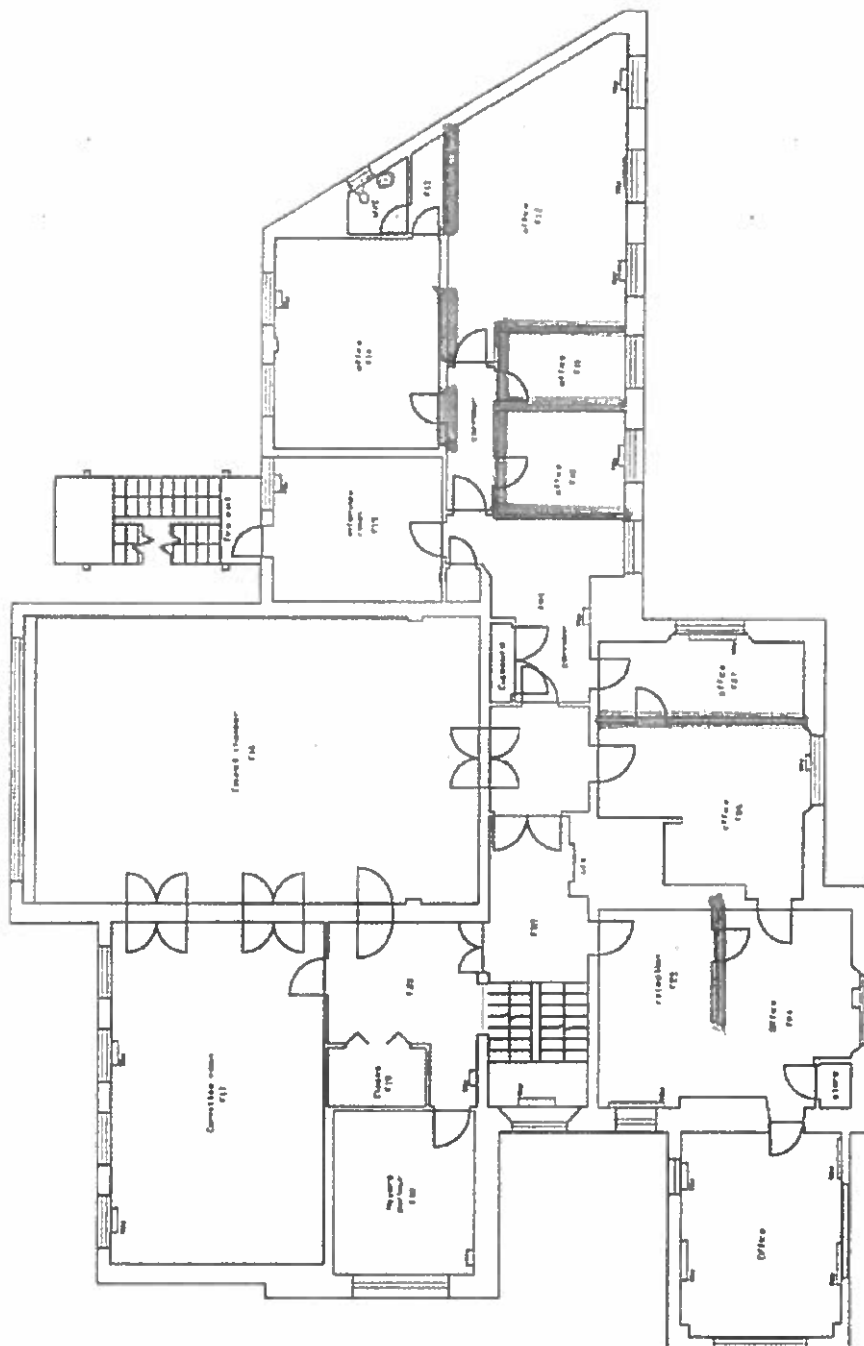


Exmouth Town Hall – General Shot of Interior

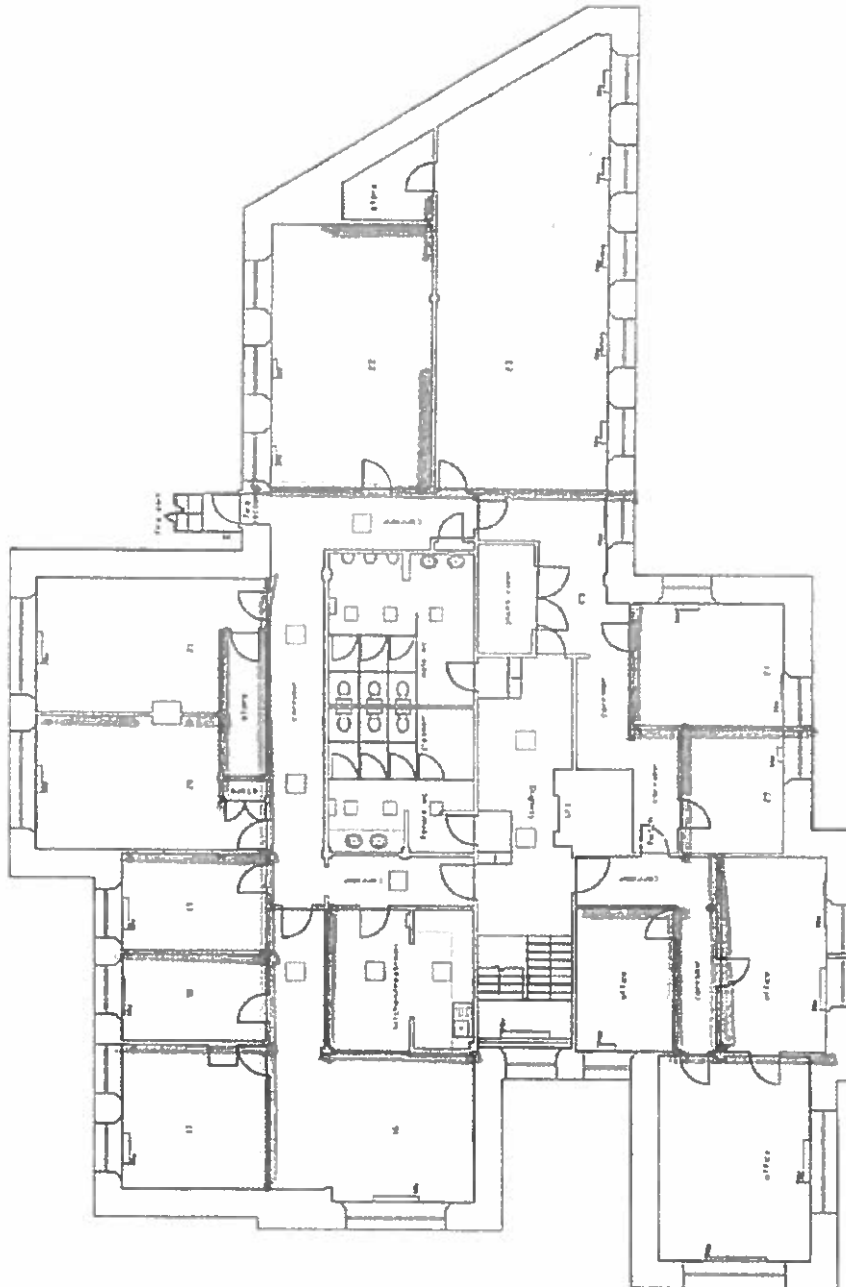
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GROUND FLOOR



FIRST FLOOR



SECOND FLOOR

Date: 09 MAR 2010

Land Registry Direct: Register View

THIS IS A PRINT OF THE VIEW OF THE REGISTER OBTAINED THROUGH LAND REGISTRY DIRECT SHOWING THE ENTRIES SUBSISTING IN THE REGISTER ON 9 MAR 2010 AT 13:04:05. BUT PLEASE NOTE THAT THIS REGISTER VIEW IS NOT ADMISSIBLE IN A COURT IN THE SAME WAY AS AN OFFICIAL COPY WITHIN THE MEANING OF S.67 LAND REGISTRATION ACT 2002. UNLIKE AN OFFICIAL COPY, IT MAY NOT ENTITLE A PERSON TO BE INDEMNIFIED BY THE REGISTRAR IF HE SUFFERS A LOSS BY REASON OF A MISTAKE CONTAINED WITHIN IT. THE ENTRIES SHOWN DO NOT TAKE ACCOUNT OF ANY APPLICATIONS PENDING IN THE REGISTRY.

THIS TITLE IS DEALT WITH BY LAND REGISTRY, PLYMOUTH OFFICE

TITLE NO: DN322826

REGISTER LAST UPDATED ON : 21 DEC 1992 AT 23:59:59

A: Property Register

This register describes the land and estate comprised in the title.

COUNTY

DISTRICT

DEVON

EAST DEVON

1. (21.12.1992) The Freehold land shown edged with red on the plan of the above Title filed at the Registry and being Manor Gardens and Town Hall, St Andrew's Road, Exmouth.

B: Proprietorship Register

This register specifies the class of title and identifies the owner. It contains any entries that affect the right of disposal.

Title Absolute

1. (21.12.1992) Proprietor: +=EAST DEVON+ DISTRICT COUNCIL= of Council Offices, Knowle, Sidmouth, Devon EX10 8HL.

C: Charges Register

This register contains any charges and other matters that affect the land.

1. (21.12.1992) A Conveyance of the land edged blue on the filed plan

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dated 26 October 1907 made between (1) The Right Honourable Charles John Robert Hepburn Stuart Forbes Trefusis Baron Clinton (Lord Clinton) and (2) The Exmouth Urban District Council (Council) contains covenants.

By a Deed dated 11 December 1959 made between (1) Neil Arthur Campbell and others (Trustees) and (2) The Urban District Council of Exmouth (Council) the said covenants were expressed to be released. Details of the covenants and of the Deed of Release are set out in the schedule of restrictive covenants hereto.

2. (21.12.1992) By a Deed dated 20 November 1966 made between (1) Neil Arthur Campbell, James Haldane, Robert Arthur Henry Rivers-Bulkeley (The Trustees) and (2) The Urban District Council of Exmouth (the Council). The said covenants were expressed to be varied. The said Deed also contains covenants. Details of the variation and the said covenants are set out in the schedule annexed.

Schedule of Restrictive Covenants

1. The following are details of the covenants contained in the Conveyance dated 26 October 1907 referred to in the Charges Register:-

"AND the Council hereby covenant with Lord Clinton that the said premises hereinbefore appointed should not be used otherwise than as a public Recreation Ground and Garden and that the said premises shall daily be open to the public on such conditions and subject to such rules and regulations as shall from time to time be laid down by the Council."

2. The following are details of the terms of the release contained in the Deed dated 11 December 1959 referred to in the Charges Register:-

"In consideration of the covenants by the Council hereinafter contained the Trustees hereby release the Council and those deriving title under them from the obligations of the covenant hereinbefore recited on the part of the Council contained in the Deed in so far as the said obligations relate to the first mentioned premises but not further or otherwise and it is hereby mutually agreed and confirmed that the said covenant shall become null and void as regards the first mentioned premises.

2. The Council hereby covenant with the Trustees as follows:-

(a) that the secondly mentioned premises shall not be used otherwise than as a public recreation ground and garden and that the same should daily be open to the public on such conditions and subject to such rules and regulations as should from time to time be laid down by the Council.

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(b) that they will at all times keep the Trustees and their successors in title indemnified in all respects against any proceedings costs claims and demands which may be made against the Trustees or any of them by virtue of the Trustees having released the said covenant relating to the first mentioned premises in manner hereinbefore mentioned."

NOTE:-The first mentioned premises referred to are tinted blue on the filed plan. The secondly mentioned premises referred to are tinted yellow on the filed plan.

3. The following are details of the terms of the covenants contained in the Deed dated 20 November 1966 referred to in the Charges Register:-

"In consideration of the covenants by the Council hereinafter contained the Trustees hereby release the Council and those deriving title under them from the obligations of the covenants hereinbefore recited on the part of the Council contained in the One thousand nine hundred and seven Deed and in the First Deed of Release in so far as the said obligations relate to the land shown coloured pink on the plan annexed hereto but not further or otherwise and it is hereby mutually agreed and confirmed that the said covenants shall become null and void as regards the said land shown coloured pink.

2. The Council hereby covenant with the Trustees for the benefit of the Trustees' Estate and each and every part thereof as follows:-

(a) that the land vested in the Council by the One thousand nine hundred and seven Deed (other than the land shown coloured pink on the plan annexed hereto) shall still not be used otherwise than as a public recreation ground and garden and that the same should daily be open to the public on such conditions and subject to such rules and regulations as shall from time to time be laid down by the Council and that the said land shown coloured pink on the plan annexed hereto shall not be used otherwise than as a car park.

(b) that the trees which at the date of this deed are growing on the first mentioned premises or on the secondly mentioned premises or on the said land shown coloured pink on the plan annexed hereto or on the land to the south of the said land shown coloured pink shall be retained and not cut down or injured in any way the approximate position of such trees being for the purpose of identification indicated on the said plan annexed hereto Provided always that this condition shall not prevent the Council on receiving expert advice from cutting down lopping or topping any of such trees which become decayed or dangerous and Provided always that the Council shall obtain the prior written consent of the Trustees or the Trustees' Agent for the time being to any proposals for such cutting down lopping or topping such consent not to be unreasonably

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withheld.

(c) that the Council will plant or cause to be planted and shall maintain such shrubs as are necessary effectively to screen the first mentioned premises and the secondly mentioned premises and the land shown coloured pink from the land to the south of the said land shown coloured pink which land is now known as Manor Grounds."


NOTE:-The pink land referred to is tinted pink and tinted yellow on the filed plan.

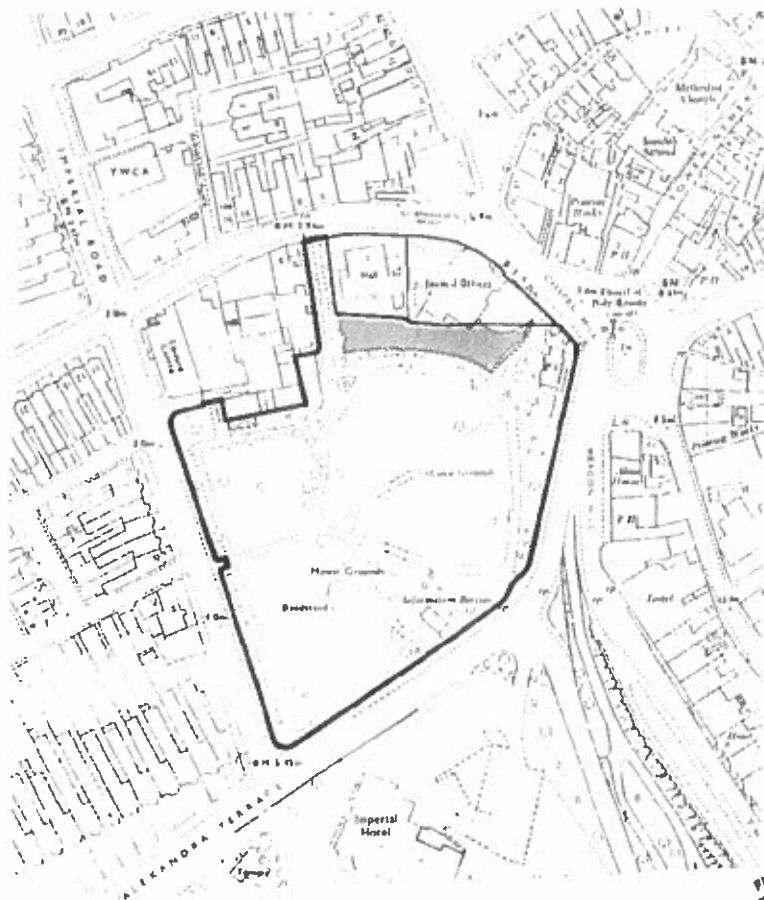
End of register

NOTE 1: The date at the beginning of an entry is the date on which the entry was made in the Register.

NOTE 2: Symbols included in register entries do not form part of the register and are used by Land Registry for internal purposes only.

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H.M. LAND REGISTRY		TITLE NUMBER		
		DN322826		
ORDNANCE SURVEY PLAN REFERENCE	SX9980NE SY0080NVV	SECTION	Scale 1:1250	
COUNTY DEVON	DISTRICT EAST DEVON		© Crown copyright	



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APPENDIX 4

THE KNOWLE RUNNING COSTS

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KNOWLE RUNNING COSTS

Acct Code	Description	2006/07	2007/08	2008/09	April 2009 - Dec
1010	Property contractors	780	1863.23	0	0
1011	Property maintenance ad hoc	41130.39	27591.49	23949.68	7238.79
1012	Property cleansing services	1371	1211.56	4866.79	5346.1
1013	Security servicing	2931	3774	3876	3774
1014	Grounds Maintenance	tbc	tbc	tbc	tbc
1015	Major build works	0	0	0	0
1016	Property maintenance contract	13827	7796.01	2779.37	2912.23
1018	Planned maintenance	0	18243.08	14274.86	12815.67
1019	Maintenance reserve	0	2750	0	4492
1021	Display energy certificate	0	0	1000	
1111	Fixed plant regular servicing	612.68	0	0	0
1150	Materials land and build	28587.07	8253.27	8974.74	10289.86
1210	Energy Costs Electricity	18596.75	0	0	0
1211	GF2GF IDT ELECTRICITY 6209	46368.62	56541.42	74386.42	50148.87
1220	Energy costs gas	5462.22	6447.92	7832.85	1779.82
1250	Rates	91187.06	100344	102123.14	109003.75
1260	Water chg	7450.94	8033.63	9402.4	6011.03
1350	Fixtures & fittings	0	0	455.3	0
1445	GF2GF IDT MATERIALS LAND 6216	0	0	0	1261.99
1450	Property Insurance	19703.14	13971.73	10081.53	7280.46
Total		£ 278,007.87	£ 256,821.34	£ 264,003.08	£ 222,354.57

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