



18 January 2021

Agenda Item: 5

REPORT OF SERVICE DIRECTOR, PLACE AND COMMUNITIES

LATEST ESTIMATED COST REPORT – INVESTING IN NOTTINGHAMSHIRE: MAKING THE BEST USE OF COUNCIL PREMISES

Purpose of the Report

1. To seek approval for the Latest Estimated Costs (LEC) for Projects of the Investing in Nottinghamshire Council Premises Programme.

Information

2. The Council has an ambitious vision for Nottinghamshire, set out in the Council Plan “Your Nottinghamshire, Your Future”. A key element of this is major investment in our communities and the local economy through the rationalisation and modernisation of the Council’s main office and service premises, including the bringing forward of landmark developments on the County Hall campus and other Council owned sites. This programme of activity is called the Investing in Nottinghamshire programme, and was agreed by Policy Committee at its meeting in February 2020.
3. Investing in Nottinghamshire is driven by an ambitious set of principles. These can be summarised as:
 - Maximising the strategic impact of the location of the Council’s office estate and the use of the Council’s assets for economic impact and regeneration.
 - Improving the mobility, productivity and effectiveness of our workforce and services through, new technology and service integration (delivering an average 4:10 desk ratio).
 - Developing fit for purpose accommodation that supports modern service models, including integrated working.
 - Ensuring the Council has appropriate buildings in its main communities.
 - Making maximum use of the Council’s current assets whilst releasing surplus accommodation.
 - Prioritising office accommodation owned by the County Council rather than that leased from the market.
 - Delivering effective and efficient facilities management services to ensure safe and sustainable offices for staff and the public.
 - Reducing environmental impact through work to reduce the carbon footprint of the Council’s estate and delivering improved work transport/access solutions for staff.
4. In addition, Investing in Nottinghamshire will: -
 - Deliver better public services and improved outcomes for Nottinghamshire residents.

- Bring forward investment, jobs and housing in Nottinghamshire through unlocking major developments on Council-owned land.
 - Right-size the Council's office estate, thereby minimising long term maintenance requirements.
 - Generate substantial capital receipts over the life of the programme.
 - Reduce revenue running costs associated with the Council's main premises.
 - Offer opportunities to grow commercial revenue income.
5. The primary function of our office estate is to provide Council services to local people and businesses. Council offices are a gateway for service users to receive their services and for our staff to remain local to the communities they serve. Service provision and contact with our most vulnerable service users is occurring within them and will do so in the future.
 6. As set out in the February 2020 report to Policy Committee the funding takes forward a number of recommendations, Improving, re-organising or building new offices, across multiple sites of the Councils estate. This report brings forward two projects of the programme which have now completed detailed design stage and are now ready to progress to construction phase. Further reports will be brought to committee as and when further projects reach the same stage.
 7. Feasibilities and designs have been revisited and revised in light of Covid-19, considering best adaptations that can be made to accommodate working practices and systems which have emerged in response to the pandemic, future proofing the buildings as best possible.
 8. Alongside the requirements for the Investing in Nottinghamshire programme all projects have considered as an addition any backlog maintenance works that can be incorporated into the projects. Addressing a number of significant maintenance issues, with the intention to minimise disruption by including these works at the same time and deliver additional benefits to revenue running cost budgets and further improving facilities. Funding for these additional works is to be sought from the Council's 2020/21 & 2021/22 Capital Maintenance Programme.

Meadow House

9. The County Council owns Meadow House in Mansfield and will retain this property. It provides the second largest office base the Council operates within in a key area of the County, and predominantly accommodates a number of children's services teams delivering critical, public facing children's social care and education provision.
10. Meadow House has yet to be refurbished in line with the Council's Smarter Working Principles and has significant maintenance issues. It is therefore proposed to undertake a full refurbishment of Meadow House, which will bring the standard of the building into line with the remainder of our future office estate.

Beeston Central Office

11. The County Council leases Prospect House in Beeston and intends to vacate this property once refurbishment of the Council-owned Beeston Central site is complete.
12. Early re-location of several services which operate across the South Nottinghamshire area occurred in September & October 2019 enabling staff from the same services, previously distributed across multiple sites, to be co-located together for the first time.

13. Adult Social Care services at Prospect House will re-locate to Middle Street Resource Centre, providing a continuing base for local service provision, with Beeston having a high service user density and as such being a key location for service delivery.
14. It is proposed to relocate the remaining Children and Families services with business support to the former Beeston Central Children’s Centre on Trevor Road. It is proposed that this refurbished site will create a new office base which will provide local childcare case conferencing and contact facilities. The latter already operate from this location.
15. Retaining Prospect House until the Beeston central office is refurbished, ensures that services currently delivered from Middle street will be unaffected during the construction phase.

Capital Budget Implications

16. The latest estimated costs for these projects are detailed below. Please note that professional fees include all feasibility costs including site surveys and associated statutory fees, as well as Arc Partnership Fees.
17. The Professions involved in this project reflects all stages of RIBA 0-7 and associated professional services.

Latest Estimated Costs

Latest Estimated Cost – Meadow House

(Outturn Prices)

	£
Building Works	3,769,949.93
Professional fees	372,470.07
Total	4,142,420.00

Anticipated cash flow

	2020/21 £	2021/22 £	2022/23 £	Total £
Building Works	50,000.00	3,395,000.00	324,949.93	3,769,949.93
Professional Fees	235,897.71	97,995.10	38,577.26	372,470.07
Totals	<u>285,897.71</u>	<u>3,492,995.10</u>	<u>363,527.19</u>	<u>4,142,420.00</u>

Latest Estimated Cost – Beeston Central Office

(Outturn Prices)

	£
Building Works	814,479.64
Professional fees	85,520.36
Total	900,000.00

Anticipated cash flow

	2020/21	2021/22	2022/23	Total
	£	£	£	£
Building Works	150,000.00	664,479.64	-	814,479.64
Professional Fees	68,416.29	17,104.07	-	85,520.36
Totals	<u>218,416.29</u>	<u>681,583.71</u>	<u>-</u>	<u>900,000.00</u>

Revenue Budget Implications

18. There are no direct revenue budget implications arising from these projects, however a reduction in ongoing revenue running costs is a key outcome of the Investing in Nottinghamshire programme and are expected to be achieved through this investment.

Other Options Considered

19. None

Reason/s for Recommendation/s

20. To implement recommendations approved by Policy Committee in February 2020 to the Council's operational estate through the progression to construction phase of two key projects of the programme.

Statutory and Policy Implications

21. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

22. Budgets are within those established for the projects as part of the capital programme approved at policy committee in February 2020.

23. Additional funding will be sought from Planned Maintenance budgets for further maintenance items identified which can be incorporated into the projects to deliver financial and operational efficiencies and enhanced outcomes. The Meadow House project LEC however already incorporates Planned Maintenance works of £1.2M which was approved as part of the 2020/21 Property Planned Maintenance Programme LEC report to Policy committee in July 2020

RECOMMENDATION

- 1) That Members consider whether there are any actions they require in relation to the issues contained in the report and the Latest Estimated Costs for the projects and approval be given for the projects to proceed to the construction phase based on these estimated costs.

Derek Higton
Service Director, Place and Communities

For any enquiries about this report please contact: Phil Berrill, Team Manager, Departmental Services Tel: 0115 9774641

Constitutional Comments (KK 08/01/2021)

24. The proposals in this report are within the remit of the Finance and Major Contracts Management Committee.

Financial Comments (GB 08/01/2021)

25. The capital costs identified in this report total £5.0m and will be funded from the Investing in Nottinghamshire programme (£3.9m) and the Building Works programme (£1.1m). Both of these programmes are already approved in the Policy Committee capital programme.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- Investing in Nottinghamshire: Making the Best Use of Council Premises – Report to Policy Committee 12-02-2020 – Published
- 2020/21 Property Planned Maintenance Programme (PPMP) Latest Estimated Cost (LEC) – Report to Policy Committee 15-07-2020 - Published
- Investing In Nottinghamshire: Utilising the Council's Property Estate to Deliver Environmental, Economic and Financial Benefits in a Post Covid World – Report to Policy Committee 09-12-2020 -Published

Electoral Division(s) and Member(s) Affected

- Electoral Division: All