



meeting	<b>CABINET</b>	
date	<b>3 MAY 2006</b>	agenda item number

**THE ASHFIELD AREA OFFICE/NOTTS CONNECT PROJECT:  
LATEST ESTIMATED COST REPORT**

**REPORT OF THE DEPUTY LEADER**

The Deputy Leader is bringing forward this report, proposing these recommendations and/or making this decision in accordance with his constitutional delegation under 60A having been requested by the Leader to undertake the duties and exercise the powers of the Cabinet Member for Finance and Property for a temporary period.

The financial details of this project are set out in the exempt report which will be considered later in this meeting, which is not for publication by virtue of paragraph 3 of the Local Government (Access to Information) (Variation) Order 2006.

**1. PURPOSE OF REPORT**

To seek approval of the Cabinet to the latest estimated works and services required for the provision of a new Ashfield Area Office/Notts Connect building in Sutton in Ashfield, as required by the County Council's Financial Regulation. B.5.3 for capital schemes the estimated cost of which exceeds £1M.

**2. BACKGROUND**

The County Council has been trying to provide suitable accommodation for an Ashfield Area Office for a number of years and more recently for a Notts Connect Contact Centre.

The proposed development will bring together between 450 and 500 static and flexible working employees from poor quality accommodation into modern, predominantly open plan offices. The proposed design is for a 'green' building with an excellent energy rating that promotes the County Council's commitment to the environment.

Terms have been agreed for a freehold site at Station Road, Sutton in Ashfield and the completion of the purchase is expected in May 2006.

*The total approved project budget for the site purchase, building works, fitting out and professional fees is £9,136,000.*

The project is being managed through a Project Board chaired by the Corporate Property Manager and an external project manager.

As part of the planning process, a three day public consultation exhibition was held in Sutton Library and a full planning application was made on 10 March 2006 for consideration by the Planning Committee on 27 June 2006. Any delay on the receipt of planning approval may have an effect on the timing and cost of the project.

An invitation to tender will be issued to the pre-qualified contractors for an anticipated contractor appointment in May 2006.

### **3. PROJECT DETAILS**

The project is to construct a new Ashfield Area Office/Notts Connect office building on a 1.5 acre (0.6 hectare) freehold site at Station Road, Sutton in Ashfield.

The proposed accommodation is a steel framed, three-storey, brick and stone clad building and includes associated site works, services, parking for 100 cars and landscaping works. The main building will have a pitched aluminium roof and there will be many sustainable and environmentally friendly components.

The proposed building will provide around 3500 square metres of modern, predominantly open plan accommodation.

### **4. CAPITAL BUDGET IMPLICATIONS AND LATEST ESTIMATED COST**

The County Council's approved capital programme includes a sum of £8,630,000 for the Ashfield Area Office. In addition, the Notts Connect project has provided £506,000 of capital finance which gives a total budget of £9,136,000.

This allocation is for the purchase of the site (including contributions to site works), construction of the building, legal and conveyancing costs, furniture and equipment, removal/relocation costs and professional fees. However, it does not include the costs of the service department's computer equipment such as computer monitors, keyboards, computer processing units and computer software programmes and telephone handsets, all of which will have to be financed and provided by the service departments, outside of the accommodation project and service departments have indicated that they will make appropriate budget provisions in 2006/7 for these costs.

### **5. START AND COMPLETION DATES**

It is anticipated that the building works will start on site during August 2006 and be completed by the end of August 2007.

## **6. FEES**

The fees shown in the exempt report are for all of the professions involved in the project, including the external project management.

## **7. ANTICIPATED CASH FLOW**

The phasing of the project is anticipated to extend to the 2008/09 financial year and details are set out in the exempt report.

## **8. REVENUE BUDGET IMPLICATIONS**

The design of the new building includes many high quality materials and sustainable/environmentally friendly components. These should reduce the day to day and planned buildings maintenance and energy costs. There are also anticipated savings on staffing costs due to the improved working environment of this “green” building. The estimated annual running costs are £281,700, including lifecycle maintenance charges, but excluding caretaking and reception costs. The net capital cost to be financed is £6.316m. Annual financing costs for this will be approximately £570,000.

## **9. STATUTORY AND POLICY IMPLICATIONS**

This report and the associated exempt appendix have been compiled after consideration of implications in respect of finance, equal opportunities, personnel, crime and disorder and those using the service. Where such implications are material, they have been described in the text of the report and/or the exempt appendix. However, attention is drawn to the following:-

### **(a.) FINANCIAL IMPLICATIONS**

These are set out in the report and in the exempt appendix.

### **(b.) EQUAL OPPORTUNITIES IMPLICATIONS**

In accordance with the County Council policy, the design of this building incorporates access and facilities for people with disabilities.

### **(c.) IMPLICATIONS FOR SERVICE USERS**

The requirements of all the potential service users are being taken into account in the detailed design of the building and the external areas,

### **(d.) CRIME AND DISORDER IMPLICATIONS**

The building and site works have been designed to minimise any effects of crime and disorder, whilst presenting a welcoming appearance to the street. A CCTV installation is included and access into the building is controlled. The sides and rear of the site will be fenced and gated to prevent unauthorised out of hours access. Consultation with the Police Buildings Liaison Officer is included as part of the Planning process.

### **(e.) STRATEGIC PROPERTY IMPLICATIONS**

The provision of the new Ashfield Area Office/Notts Connect accommodation is in accordance with the Corporate Property Strategy, namely to reduce the number of individual property sites used by the County Council and to provide modern open plan office accommodation for County Council employees.

### **RECOMMENDATION**

That subject to approval of the latest estimated cost in the exempt report, for building works at Station Road, Sutton in Ashfield the Director of Environment be authorised to receive competitive tenders and to enter into a contract within the approved latest estimated cost subject to the Financial Regulations of the Authority.

**Councillor Michael Storey**  
**Deputy Leader**

### **LEGAL COMMENTS (LM 06/4/06)**

Cabinet approval for a latest estimated costs report must be sought where the cost is £5 million or more in accordance with B5.3 and B5.4 of the Financial Regulations.

### **DIRECTOR OF RESOURCES' FINANCIAL COMMENTS (MB 21/04/06)**

The capital costs shown in the report have been included in the capital programme for 2005/06 – 09. The financing costs have been built into the budget for capital financing in future years. The running costs will have to be met from existing service budgets but will be partly offset by rental savings of £161,000 per annum on properties vacated as a result of the area office becoming available.

### **BACKGROUND PAPERS AVAILABLE FOR INSPECTION**

None.