

From: Rebecca Spore, Director of Infrastructure

To: Gary Cooke, Cabinet Member for Corporate and Democratic Services

Decision No: 16/00044a and 16/00044b

Subject: New Ways of Working Programme – Refurbishment of Avenue of Remembrance, Sittingbourne, and St Peter’s House, Broadstairs

Key decision

Classification: **Unrestricted**

Past Pathway of Paper: Property Sub-Committee, 12 April 2016

Future Pathway of Paper: Cabinet Member Decisions

Electoral Division: Swale Central and Broadstairs and Sir Moses Montefiore

Summary: This report updates the Property Sub-Committee on the New Ways of Working Programme implementation and proposes that two building contracts to undertake the New Ways of Working Programme at the Avenue of Remembrance and St Peter’s be awarded.

Recommendation(s):

The Cabinet Member for Corporate and Democratic Services is asked to agree to award two building contracts to undertake the New Ways of Working Programme at the Avenue of Remembrance, Sittingbourne, and St Peter’s House, Broadstairs, and delegate authority to the Director of Infrastructure, in consultation with the Cabinet Member for Corporate and Democratic Services, to finalise terms and enter into the necessary agreements.

1. Introduction

1.1 The New Ways of Working (NWW) Programme was formed during late 2013, and was derived from the previous ‘New Work Spaces’ package, this being a key Programme sitting under the ‘Doing Things Differently’ Corporate change initiative.

1.2 The NWW Programme was primarily formed to oversee, manage and deliver a number of complex and inter-related projects and supporting workstreams that seek to provide an improved working environment within a consolidated estate profile. By including new ICT technologies, adoption of more mobile working practices and creation of supportive facilities within refurbished hub office facilities, the adoption of alternative and more efficient working practices is anticipated to be a key benefit delivery to the County Council in addition to significant property revenue savings achieved by virtue of estate consolidation.

- 1.3 The Programme commenced delivery of individual projects in the west of the County in late 2013 and has since gradually progressed towards the east of the region. During this time, several leasehold facilities have been relinquished, thus contributing to a property revenue saving of over £1m in the current financial year and an overall £5.3m saving delivery by the Programme implementation, whilst key freehold hub facilities have been refurbished and upgraded to a good standard to support Operational delivery.
- 1.4 The Programme is now entering its final phase with progression of projects in the east of the County. The immediate refurbishment projects currently being progressed are at the Avenue of Remembrance (Sittingbourne) and at St Peter's House (Broadstairs).
- 1.5 These hub office facilities in the east Kent region provide key front-line social care operational delivery to some of the most disadvantaged in the County. The buildings already contain office space for social care staff, together with client contact space and critical Case Conference space. However, the existing space is very cellular, thus preventing the open-plan office environments that are required for different work styles, and the facilities have generally suffered from minimal maintenance regimes over the last several years and currently require significant improvement to the building services infrastructure, fabric and access security to ensure that the buildings are warm, dry and safe, in addition to creating the NWW environment that the Programme seeks to deliver.
- 1.6 Feasibility studies for the development of these two buildings have previously been commissioned and the Programme now needs to deliver the refurbishment packages in a phased implementation to allow both buildings to continue to be operated by the Social Care Directorate.
- 1.7 The tendering for the building work packages is currently in progress, but unlikely to be fully concluded until the end of April 2016.

2. Financial Implications

- 2.1 The Programme has an approved capital expenditure value of £34.7m and had expended £29.5m to the beginning of March 2016.
- 2.2 The costs for the refurbishment projects for Avenue of Remembrance and St Peters House are already contained within the remaining Programme budget, with an anticipated maximum project value of £1m and £1.3m respectively
- 2.3 Each of the projects will draw on the 2015/16 Modernisation of Assets (MoA) budget to offset the additional project expenditure imposed by the required infrastructure and fabric improvements necessary at each building. It is anticipated that the £1m overall project value for Avenue of Remembrance will include c.£348k of MoA works, whilst the £1.3m overall project value for St Peters House will include c.£436k of MoA works.

3. The Report

- 3.1 The Kent Contracts Framework competitive tendering process is being adopted for these two projects. This will realise a number of key benefits to the County Council and its supply chain. For example, the competitive tendering dialogue is being undertaken with contracting companies which have previously been checked and endorsed as part of a robust pre-qualification process, thereby providing assurance on their trading stability and pricing frameworks. In addition, the shortlisted main contractor has provided assurance and commitment to the use of locally-based sub-contract companies for the supply of materials, operatives and design resource, in addition to supporting Apprenticeships within its operational organisation.
- 3.2 The competitive tendering process for both projects has been concluded and a contractor has been shortlisted to undertake detailed design work and further detailed costing activity to collate the overall final project cost for each scheme.
- 3.3 The final competitive dialogue and elemental cost build-up will not be concluded until late April 2016. At the current time, it is anticipated that the project costs will be contained within the estimated budget values.
- 3.4 The commitment to the contract award for both projects is required by end of April 2016 in order to ensure completion of delivery and full occupation by the end of 2016.
- 3.5 There are no legal implications stemming from the requested Delegated Authority or project delivery.
- 3.6 Full Equality Impact Assessments and any remedial activity will form part of the detailed project planning and delivery.
- 3.7 There are no Public Health implications stemming from the suggested Delegated Authority or project delivery
- 3.8 The progression of these two projects aligns with the remainder of the delivery of the NWW Programme and will result in an improved estate profile and efficiencies.
- 3.9 The Director of Infrastructure, in consultation with the Cabinet Member for Corporate and Democratic Services, will be responsible for the Delegated Authority in awarding the required Design & Build contracts for these two schemes.

4. Conclusions

- 4.1 The progression of two office refurbishment projects in East Kent, namely Avenue of Remembrance in Sittingbourne and St Peter's House in Broadstairs, form a key part of the remaining elements of the New Ways of Working Programme
- 4.2 Both projects are budgeted for in the NWW Programme, but the anticipated costs of both schemes is in excess of £1m.

5. Recommendation(s):

The Cabinet Member for Corporate and Democratic Services is asked to agree to award two building contracts to undertake the New Ways of Working Programme at the Avenue of Remembrance, Sittingbourne, and St Peter's House, Broadstairs, and delegate authority to the Director of Infrastructure, in consultation with the Cabinet Member for Corporate and Democratic Services, to finalise terms and enter into the necessary agreements.

6. Contact details

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Background documents: none