

Record of officer decision

Decision title:	Release of final capital funds from existing capital allocation to complete works to remedy dilapidated property & enable the rationalisation of council occupation at Three Elms Trading Estate
Date of decision:	10th October 2018
Decision maker:	Chief Executive
Authority for delegated decision:	Herefordshire Council's constitution - Scheme of Delegation Part 3 Functions Scheme, Section 7 Officer Functions <ol style="list-style-type: none"> 1. Delegation to Chief Executive 2. 3.7.12 Sub delegation from Chief Exec to officers
Ward:	Bobblestock
Consultation:	None
Decision made:	<p>Authorise the release of the remaining capital budget allocated to this project (£125,000). An officer decision has already been obtained to spend up to £98,000; this amount was set as being within the £100,000 threshold for the Integral maintenance contract and to be able to start the works in July in order that revenue savings and rental income could be achieved as early as possible. It has not been possible to complete all of the works within this initial release of funds.</p> <p>Original business proposal & budget was for up to £125,000 of capital funds to be spent on remedying significant defects to unit 37/38 and to enable the council to reduce its occupation of building space by 50% and release two units for commercial letting. It is anticipated that this will still result in a pay-back of approximately 3 years.</p>
Reasons for decision:	Final works are required to complete the project (that are still anticipated to be below the original budget proposal and capital allocation of £125,000).
Highlight any associated risks/finance/legal/equality considerations:	<p>The majority of works have been completed within the original release of capital funds (£98,000).</p> <p>A number of minor works are essential in order to complete the project, including the moving of an IT server into the double unit to be retained by the council that will release two single units for commercial letting that are also currently being used.</p> <p>Total works will be within the original £125,000 business proposal and budget allocation.</p> <p>Terms have already been agreed to let unit 39 and these works are essential to enable the council to release this unit and to start marketing unit 36. Completing these works as early as possible will reduce risk by eliminating any rental void for marketing on one of the units. Delay may result in the loss of this tenant and greater risk in the longer term.</p>
Details of any alternative options considered and rejected:	Not releasing the final capital spend will mean that the project cannot be completed and the business gains that it will achieve will be undeliverable
Details of any declarations of interest made:	None

Signed Chief Executive Date: 10th October 2018