

Record of officer decision

Decision title:	Approval of Main Contract budget and Furniture Fixtures and Equipment budget to finance the fit out of the Shell Store – January 2021
Date of decision:	27 January 2021
Decision maker:	Director Economy and Place
Authority for delegated decision:	<p>“Shell Store incubation centre project revision”</p> <p>Cabinet Member decision taken by the cabinet Member for contracts and assets on the 27 July 2018.</p> <p>http://councillors.herefordshire.gov.uk/ieDecisionDetails.aspx?ID=5249</p>
Ward:	Dinedor Hill
Consultation:	Changes were raised and discussed at the Shell Store, Cyber Centre and EZ Infrastructure Programme Board (the Programme Board) on the 18 January 2021 where the Programme Board supported the changes
Decision made:	Approve the use of up to £60,000 from the approved Shell Store project fixtures fittings and equipment budget on a range of items to fit out the Shell Store building in order to maximise the commercial return from the completed building. Approve the use of £135,000 of the Main Contract Budget to fund internal communications and wifi works
Reasons for decision:	<p>The Shell Store incubation centre project has materially completed construction, the building was handed over to the council in September 2020. There are currently a number of snagging and small scale works being undertaken on the building by the main contractor, Barnwood. Barnwood and Mace, as the council’s appointed project manager, are liaising in relation to these snagging and small scale works.</p> <p>In August 2020 a decision was taken to approve budget expenditure against a number of items including the allocation of £50,000 from the Fixtures, Fittings and Equipment budget towards the procurement of items to fit out the Shell Store café and reception areas. The works to the café and reception are now materially completed.</p> <p>There is a need to undertake the fit out and installation of a number of other items within the building that will be material to its operation and marketability.</p> <p>These works include relatively significant expenditure on telecommunications equipment alongside several, more minor work requirements.</p> <p>The telecommunication works requires the installation of communication equipment and wifi to serve all the separate offices and the associated support facilities – meeting rooms and reception. New communication equipment is required to make the links from the fibre input to the Shell Store comms room and all the individual rooms. This will enable each tenant to have their own secure connection and their data usage can be monitored and charged for.</p> <p>Additional work is required on the wifi network to ensure that it is available</p>

	<p>throughout the building and that occupants can move from office to atrium and other spaces with the same connectivity and security. The cost for undertaking this work is estimated by ITS, the Enterprise Zone communications contractors, to be: £135,000.</p> <p>This work is considered essential for the building to be able to attract the high quality businesses that form the target occupants. Given the specialist technical requirements required to install the wifi network the work is outside the specification of the main contract budget. Inclusion of high quality communications within the building was a consideration within the business case and the project budget of £7.315m. This work will not lead to an extension of the existing project budget and can be managed within existing budget lines as demonstrated in the finance section below. The Programme Board recommended that a detailed and separate procurement exercise is completed to commission this work and a delegated budget of £135,000 is set aside for this purpose.</p> <p>In addition to this relatively significant expenditure Mace have advised that a certain amount of fit out of the atrium and public areas of the building will be required, this has been confirmed with operators of similar facilities. There is a collective need to purchase items such as, but not limited too, security lockers for users, TV's for use in the reception heritage pod, and public areas, furniture to facilitate ad hoc meeting space within the atrium, furniture to equip meeting spaces, furniture for the conference facility etc. An appropriate procurement exercise will be undertaken to purchase each of these, and any other, required items.</p> <p>Individually many of these items will be at a relatively low value and requiring individual budget approvals for each is not considered an appropriate use of officer resource. It is recommended that £50,000 from the Shell Store fixtures, fittings and equipment budget is delegated to the Project Manager in consultation with the spend manager against the above listed items, and any others that the Project Manager and Project Lead considers appropriate.</p> <p>The building has the infrastructure to accommodate up to four electric vehicles charging points, the charging points themselves are not yet installed and were outside the scope of the construction commission. The installation of the charging points will assist in the achievement of BREEAM points which determines the overall BREEAM rating of the building. Estimated cost for the installation of two chargers providing four charging points is no more than £10,000. The Programme Board recommend that a suitable procurement exercise is undertaken to install the charging points and that a budget of £10,000 is set aside for this purpose from the Fixtures Fittings and Equipment Budget.</p> <p>Approval of expenditure against budget will based on recommendations from the Shell Store Project Manager/Project Lead, and where appropriate consultation with the Programme Board.</p>
<p>Highlight any associated risks/finance/legal/equality considerations:</p>	<p>Budget is available within all the approved budget lines and each can accommodate the proposed budget changes. The table below shows the available Shell Store budgets on the 8 December 2020. This takes into account all approvals made against budgets including the most recent decision taken on the 25 September 2020.</p> <p>It is important to note there is no budget increase over the approved £7.316m</p>

as a result of this decision. The table's below demonstrates the current position with each of the sub budgets and the current overall budget position within the approval of £7.316m for the project. Table A shows the current position, Table B shows the position if this decision is approved to increase the spend by £195,000 to cover all the items detailed previously.

Approving of this decision retains just under £160,000 within the Fixtures, fittings and Equipment budget.

Table A

Budget	Allocated	Committed	Remaining
Main Contract	6,455,528	6,286,412	169,116
Project/Design Fees	196,671	188,164	8,507
Other project costs	53,489	0	53,489
Contingency	328,388	323,201	5,187
FF&E (Direct costs – separate package)	281,915	62,497	219,418
Total	7,315,991	6,860,274	455,717

Table B

Budget	Allocated	Committed	Remaining
Main Contract	6,455,528	6,421,412	34,116
Project/Design Fees	196,671	188,164	8,507
Other project costs	53,489	0	53,489
Contingency	328,388	323,201	5,187
FF&E (Direct costs – separate package)	281,915	122,497	159,418
Total	7,315,991	7,055,274	260,717

The Programme Board have been consulted on these proposals. This Record of Officer Decision follows the recommended approach from the Programme Board, legal, finance and other considerations were taken into account when making this recommendation

Details of any alternative options considered and rejected:

Whilst it is feasible not to approve this expenditure and delegation, the implementation of this decision is considered prudent to ensure both that the building incorporates the features regarded as essential to attract the targeted occupiers, and that it is future proofed to incorporate flexibility to provide a mix of alternative uses

Details of any declarations of interest made:

Not applicable

Officer Name: Richard Ball

Officer Title: Director for Economy and Place

Signed:

Date: 27 January 2021